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Senators Turn Down Troop-Cut Proposals

WASHINGTON, June 6 (AP)—The Senate rejected two proposals to force American troop reductions overseas today.

An amendment by the Senate majority leader, Mike Mansfield, to reduce the number of U.S. ground troops and airman overseas from 432,000 to 397,000, a 7.5% reduction, during a next 18 months was beaten by a vote of 48 to 44.

Sen. Mansfield's original proposal to cut overseas forces by 85,000 failed earlier today by 54 to 43.

Secretary of State Henry Kissinger, Vice President Ford and Secretary of Defense James Schlesinger yesterday argued against troop reductions.

Mr. Kissinger warned in a letter to Sen. John Stennis, D-Miss., chairman of the Armed Services committee, that a major troop reduction overseas could undermine negotiations with the Soviet Union for mutual reductions in Europe and could jeopardize efforts to achieve a permanent peace in Asia.

U.S. Cuts Made

Mr. Kissinger pointed out that the United States already has cut its troop levels in Europe from 30,000 in the early 1960s to about 25,000 now.

In the same period, he said, Soviet forces in Eastern Europe increased from 475,000 in 1963 to 750,000 now.

One-sided reduction by the United States, he said, would remove Soviet incentives to agree to mutual and balanced reductions by NATO and Warsaw Pact nations in negotiations in Vienna.

In Columbus, Ohio, Mr. Ford said that defense cuts by Congress now would be the President's hands in his efforts to negotiate mutual U.S.-Soviet reductions in nuclear arms and forces in Europe.

"There are those forces in Congress that want to cut it, cut it, reduce it at the wrong time," Mr. Ford said in reference to Mr. Nixon's defense budget.

Personal Appeals

Meanwhile, Mr. Schlesinger made personal appeals to senators on the troop reduction issue.

The Mansfield amendment was proposed to cut \$1.5-billion in military weapons procurement. The bill would set an overall ceiling of \$10.1 billion on total military manpower by July 1, 1975, about 3 percent below the present military force.

New major weapons systems arrived fund-cutting experts in the Senate yesterday.

An amendment by Sen. George McGovern, D-S.D., to reduce money for the B-1 bomber from \$65 million to \$200 million was defeated 59 to 31.

An amendment by Sen. Harold Hughes, D-Iowa, to cut development funds for a new submarine-launched missile from \$97 million to \$10 million failed, 61 to 18.



IRISH OUTING—Group of smiling Protestant and Catholic children from London-derry at London zoo yesterday. Trip was arranged by London Deanery Synod and, with two camels looking on, one boy (center) tried on a bishop's skullcap.

Irish Police Report No Contact

Abducted Earl's Son Offers Reward

DUBLIN, June 6 (AP)—The family of the kidnapped Earl and Countess of Donoughmore today offered a substantial reward for information leading to their safe return.

Viscount Suiriale, 46, the couple's son and heir, made the offer at Knocklofty House, the family's Tipperary home, where the Donoughmores were abducted by gunmen Tuesday night.

"We as a family have decided that if anybody provides information which leads to the safe return and knowledge of the whereabouts of my parents, we are certainly prepared to pay a substantial reward," Viscount Suiriale said.

He declined to spell out the size of the reward offer.

Viscount Suiriale appealed to anyone with knowledge of the kidnapping to contact police and to the kidnappers to contact the family.

"We should like to hear from them," he said. "We ask them to be kind and reasonable to my parents."

Lord and Lady Donoughmore tried to fight off their attackers, and in a scuffle a shot was fired. Police fear Lord Donoughmore, 71, was wounded, and there is growing anxiety about his condition.

No Ransom Demand

No ransom demand has yet been received. But Police Chief Superintendent Anthony McMahon, who is leading the hunt for

the kidnappers, said today that he expected developments within 24 hours.

Police have theorized that the raiders are members of the Irish Republican Army, taking hostages for five IRA prisoners now on hunger strike in British jails.

"If the kidnappers demand the release of the hunger strikers in exchange for my parents' lives," Viscount Suiriale said, "the fam-

ily would be powerless to intervene."

The police search is concentrated on the Wicklow Mountains south of Dublin and about 80 miles from the earl's 600-acre estate near Glommal. The burned-out wreck of the getaway car used in the raid was found in County Wicklow.

Lord Donoughmore was briefly (Continued on Page 2, Col. 3)

Giscard Wins Assembly Vote, Gets Warning From Gaullists

PARIS, June 6 (Reuters)—The new French cabinet tonight won a vote of confidence, 297 to 181, in its first test of strength in the National Assembly.

The vote was on a policy statement by Prime Minister Jacques Chirac that pledged maintenance of France's independent line abroad and austerity measures to deal with the country's economic woes.

The vote followed a two-day debate in which the Gaullists, the largest party in the National Assembly, gave their conditional support to the government of President Valéry Giscard d'Estaing.

Most of the Gaullists, who occupy about a third of the 480 seats in the Assembly, voted with the government.

However, the Gaullist group warned Mr. Giscard d'Estaing that he could not count in the future on the unwavering support it had given his predecessor, Georges Pompidou. Mr. Pompidou was a Gaullist while Mr. Giscard d'Estaing heads the Independent Republicans, a minority party in the previous Gaullist-dominated coalition.

Only the Socialists and the

Communists, who between them hold about 170 seats, are ranked formally in opposition to the government.

Claude Labbé, head of the Gaullist parliamentary group, told the government during the debate: "We will not practice a policy of 'oui mais' (yes, but). Rather our position will be 'oui, si' (yes, if)."

This was a play on a famous "oui, mais" statement by Mr. Giscard d'Estaing in the mid-1960s about his loyalty to President Charles de Gaulle's policies.

Parliament will not receive until next week the government's detailed plans for dealing with inflation, now running at a 17 percent annual rate, and a balance of payments deficit expected to total 30 billion francs (\$6 billion) this year.

But higher taxes are among the measures being planned by the government for dealing with the economic situation, according to Mr. Chirac.

Economic analysts believe the government will raise taxes on luxury goods and perhaps on gasoline. High-income earners may also be taxed more heavily.

As Unindicted Co-Conspirator

Watergate Jury Voted in Feb. To Name Nixon in Cover-Up

By Ronald J. Ostrow and Robert L. Jackson

WASHINGTON, June 6.—A Watergate grand jury voted, without dissent, in February to name President Nixon as an unindicted co-conspirator in the Watergate cover-up, sources close to the defense have told the Los Angeles Times.

The indictment, however, returned on March 1, listed as defendants, in addition to seven former administration and Nixon campaign aides, only "other persons to the grand jury known and unknown."

The grand jury's balloting on Mr. Nixon was communicated to District Judge John Sirica and defense lawyers in a closed-door meeting early last month.

Special Watergate prosecutor Leon Jaworski told Judge Sirica and defense lawyers about the grand jury's proposal in order to bolster his arguments that Mr. Nixon's attorney should not be allowed to quash a subpoena for tapes of 64 presidential conversations, the sources said.

Unusual Step

Judge Sirica, in ruling that the tapes must be surrendered—a matter on appeal before the Supreme Court—took the unusual step of ordering that the subpoena proceedings be kept confidential.

Sources on the House Judiciary Committee, which is holding an impeachment inquiry, said the grand jury's vote on Mr. Nixon was not included in the secret report and briefcase of evidence Judge Sirica forwarded to the committee in March.

The grand jury, the oldest of three such Watergate panels, apparently concluded that Mr. Nixon should not be named in its March 1 indictment because of legal doubts over its authority to do so.

As he entered the House Judiciary Committee hearings today, James St. Clair, the President's chief Watergate lawyer, confirmed that the grand jury had voted to name the President an unindicted co-conspirator, the Associated Press reported.

"I think he felt it was quite inappropriate . . . He was confident that the true facts would come out and he would be exonerated," AP reported.

Mr. St. Clair said yesterday when asked about the information.

"The evidence before the grand jury does not support and, indeed, contradicts such an allegation by the grand jury. Furthermore, the evidence before the grand jury on the Watergate matter relating to the President is before the House committee, and, together with information furnished subsequently by the President to the House committee, proves the President's innocence."

[President Nixon asked Judge Sirica today to allow the publication of the names of persons listed by the grand jury as unindicted co-conspirators in the Watergate cover-up, the AP reported.]

Mr. Jaworski's office had no immediate comment on the mo-

tion, except to say the names would not immediately be made public. In court filings yesterday, Mr. Jaworski agreed to turn over to defense attorneys the names of unindicted co-conspirators in the case.

A spokesman for Mr. Jaworski said yesterday that he could not comment on the grand jury's deliberations or on closed-door

proceedings before Judge Sirica. However, in public statements both before and after the March 1 cover-up indictment, Mr. Jaworski said there was "a very, very strong question as to whether or not a sitting president is indictable."

The special prosecutor did not discuss whether a president could be named as an unindicted co-

conspirator. But court arguments on transmitting the grand jury's report made it clear that Mr. Jaworski viewed the House Judiciary Committee as the proper forum for determining Mr. Nixon's role in the case.

The grand jury action will have "considerable weight" within the House committee, predicted.

(Continued on Page 3, Col. 3)



WASHINGTON VISITOR—President Nixon and Henry Kissinger showing Prince Fahd bin Abdul Aziz Saud, Saudi Arabian Minister of Interior, around White House garden.

Could Share in Fund for Mideast

Kissinger Denies Pledge to Syria

From Wire Dispatches

WASHINGTON, June 6.—Secretary of State Henry Kissinger said today that the United States is not committed to giving Syria \$100 million in economic aid for carrying out the ceasefire agreement with Israel.

He also said that the "chances are good" that a declaration of principles may be initiated by NATO foreign ministers when they meet June 18-19 in Ottawa.

On Syria, Mr. Kissinger said in a lengthy news conference that he had been misunderstood when he attempted to explain the American position concerning possible financial assistance to Syria.

"Syria together with other countries can be eligible for support from a \$100-million fund requested in the 1975 fiscal foreign-aid bill, he said."

Syria so far, he said, has not asked for any aid and the United States is not committed to providing such support.

Soviet Mideast Role

On a related matter, he said that the Soviet Union has a role to play in future efforts to achieve a permanent Middle East peace.

At this time the United States "has no intention to expel" the Soviet Union from the Middle East and indeed could not do so, he said.

He said statements made three years ago concerning his desire to oust Russia from the Middle East applied only to Soviet troops in Egypt.

He said that because the Soviet Union, as a great power, has legitimate world interests, the United States has no desire to expel it from the Middle East.

On other Mideast questions, Mr. Kissinger said:

• He has given no commitment to Israel on restraining Arab terrorism, apart from already known promises of political support for Israel in the event that it is forced to retaliate against terrorist raids.

• He has invited the new Israeli government leaders to visit the United States, but the date has been left to them.

• The United States has had no contact with Palestinians, and Mr. Kissinger repeatedly refused to say whether the United States opposed or favored their presence at the Geneva peace talks.

• The United States does not regard itself as a guarantor of the Middle East peace agreement and the only U.S. commitment to the nations of the region is to maintain its efforts for a just and permanent peace.

"We believe that the security of Israel, to which we remain committed, can best be assured in the context of a peace settlement in the Middle East," he said.

Mr. Kissinger said he would

like to retire from shuttle diplomacy now that he has worked out disengagement agreements between Egypt and Israel and Syria and Israel.

He said that it is not a good idea for a secretary of state to be away from his desk so long and that the appropriate forum now is Geneva. However, he added, "This does not exclude that at some critical point I may not be prepared to help out."

On other points, Mr. Kissinger said:

• He stands by previous testimony before Congress that he had no prior knowledge of the "plumbers" operation in the White House and that he was unaware that a former assistant, David Young, was involved in that group's operations.

• There has been no progress in eliminating differences with the Soviet Union over a second phase of strategic arms limitations. But he did not rule out the possibility of progress being made when President Nixon visits Moscow later this month.

• He does not believe India's underground explosion of a nuclear device has changed the balance of power in South Asia.

At what should have been his triumphal first press conference after his marathon Middle East peace trip, Mr. Kissinger was questioned repeatedly about his alleged connection to the "plumbers" operation to plug security leaks.

Mr. Kissinger, his face red—perhaps from a month in the (Continued on Page 2, Col. 3)

result, in the Syrian view, was that Damascus had achieved a political success. The article also declared that there were now signs of internal dissension in Israel that Syria would try to intensify.

"For the first time since the beginning of our struggle with Zionism," the article said, "we are carrying on the struggle both militarily and politically . . . Now most of the countries of the world understand us and respect us."

Under the heading "Attitude of the United States," the article said, "This is an aspect which we must take up very objectively, but we were able to achieve during the disengagement talks a great success with regard to changing the attitude of the United States, which had been standing against us as an absolute enemy. This attitude has changed and has become an attitude of understanding of our situation, to say the least."

"More than that," the article said, "[the American attitude] is an implicit recognition that will soon take on another aspect, namely, that Israel has to withdraw from all occupied Arab territory. Every step in that direction serves our firm and basic line of struggle. We have to preserve friendship and we have to endeavor to weaken the friendship that Israel maintains with others in order to obtain the friendship of these others for us and for our cause."

The article said that "the enemy did not succeed either in its military or political objectives. We are the ones who have achieved the success . . ."

EEC Decides Not to Propose Revaluing Gold at U.S. Talks

By Clyde H. Farnsworth

LUXEMBOURG, June 6 (NYT)—The European Economic Community, in a conciliatory gesture toward the United States, decided today not to press its case for higher official gold price at a series of international monetary meetings in Washington next week.

The agreement to avoid open confrontation and move into a phase of quiet diplomacy followed hints from the United States that it may now be willing to relax its opposition to an increase, which would boost the value of gold stocks that nations hold in their central-bank reserves.

Confronted with an apparent shift in the American position, finance ministers of the nine Common Market countries said they had changed their minds about submitting a formal proposal to unfreeze central bank gold reserves when the Committee of twenty meets next week in Washington.

Time Not Ripe

"The Americans are in the process of defining a position," said British Chancellor of the Exchequer Denis Healey. "They are sending to shift, changing almost continually. The time is not ripe for formal negotiations."

West German Finance Minister Hans Apel said, "We have to study the American position on the matter. We do not want anything spectacular. We must settle this thing together."

EEC finance ministers were meeting at the European Center here to establish a common line

on the position they will take next week when the Committee of Twenty, consisting of developed and developing countries, discusses monetary reform.

The ministers also sought to coordinate the stabilization measures most EEC countries intend taking in the near future to fight soaring inflation at home and redress large deficits in their accounts abroad.

Piling Up Debts

Because of the fourfold increase in oil prices late last year, all community countries except West Germany are piling up enormous debts to finance the goods and services they import.

It is partly for this reason that the community has taken the position that gold should be up-valued. This would provide a safety net for the member states that are hardest pressed.

The community wants the gold valued at market-related levels. The official price is \$422 an ounce. Market prices, at around four times this level, have been fluctuating wildly of late on expectations that official decisions would be made on gold.

The EEC countries hold nearly \$15 billion worth of bullion, if the value is taken as \$422 an ounce. The United States holds about \$12 billion in gold.

Italy is in the direct straits in the Common Market and has been pressing hardest for action on gold. Italy's officially valued gold reserves stand at \$3.5 billion, France has \$4 billion and Germany nearly \$4.5 billion.



D-DAY NOTED—Ceremony at the British cemetery at Ranville marking 30th anniversary of the Allied landings in Normandy. From left: British General Sir Richard Gale, French General Jean Compagnon and U.S. General Omar Bradley and his wife, just before they placed wreaths at the foot of a memorial. Story on Page 2.

To Resume Next Month

Portugal, Frelimo Suspend Talks

LUSAKA, Zambia, June 6 (Reuters).—Talks between Portuguese government officials and guerrilla leaders aimed at obtaining a cease-fire in Mozambique were adjourned here today, but both sides will meet again in the first half of next month.

Portuguese Foreign Minister Mario Soares told newsmen before returning to Lisbon, "The Portuguese delegation was here to negotiate a cease-fire, but we

understand Frelimo (the guerrillas' Front for the Liberation of Mozambique) makes a cease-fire conditional on a global political agreement.

"The most important thing was to immediately stop the sacrifice of lives," he added.

After more than eight hours of discussions in the Zambian State House ballroom, the nine-member Frelimo delegation, under Samora Machel, and the three men from

Portugal agreed to adjourn and meet again here in the first half of next month.

A joint communiqué said: "The two delegations recognized that the establishment of a cease-fire depends on prior global agreement related to fundamental political principles."

Consultations Needed
"After the general analysis of the problems in discussion, the Portuguese delegation considered it necessary to consult its government."

At the end of a short ceremony, the Frelimo chief warmly embraced Mr. Soares and said: "Please convey our sincere greetings to the Portuguese people, our allies."

Mr. Soares, after reading the communiqué, left immediately to return to Lisbon to prepare for another round of talks in London with nationalists from Portuguese Guinea.

The communiqué made it clear that resumption of discussions with Frelimo would depend on these London negotiations with PAIGC—the nationalist group of Guinea-Bissau and the Cape Verde Islands.

Spinola Reveals Threats
LISBON, June 6 (AP).—President Antonio de Spínola, who is preparing for a trip to Portugal's African territories, said today that his life had been threatened by extremists, but he added that he would not bow to those who think they can pressure him.

Speaking at Braga, 80 miles east of the Portuguese capital, Gen. Spínola indicated that the threats were from "extremist movements" within the country and not from abroad.

Guerrillas Kill Two
BEIRA, Mozambique, June 6 (Reuters).—Guerrillas killed an elderly white farmer and his African manager about 120 miles north of here, military sources said today.

The incident took place near Inharrim, the main town on the trans-Zambezi railroad linking Beira and Malawi.

Red Ties to Lisbon
LISBON, June 6 (UPI).—Yugoslavia and Romania in the next few months will become the first East European countries to open diplomatic missions in Portugal for almost a quarter of a century, diplomatic sources said today.

U.S. Woman Held 4 Hours By Abductors
PHILADELPHIA, June 6 (AP).—Mrs. Jack Friedland, the wife of the president of Food Fair Stores, Inc., was abducted from her home on suburban Philadelphia's exclusive Main Line today and was freed about four hours later, police said.

Authorities said they had arrested one of her abductors.

"The victim is in the hands of the Police Department," said detective Joseph Algeri of the Lower Merion Police Department. "She is safe and there has been one person apprehended."

Police said Mrs. Friedland was found in Philadelphia. They refused to divulge other details.

Ransom Demanded
Mrs. Friedland was kidnapped from the \$200,000 family home on a five-acre estate by three gunmen, police said. They said a ransom demand had been made, but it was not immediately known how much or under what circumstances.

"Mrs. Friedland was in a small garden just off the kitchen when three men, two of them carrying guns, came up some time shortly before noon," a policeman said. "They bound a gardener with wire rope."

Mrs. Friedland, 43, the mother of four children, was believed to have been driven away in a brown compact car.

Police said the gardener called police about noon, and that the kidnappers got in touch with Mr. Friedland about an hour later.

The Friedlands, whose food business and its subsidiaries are worth millions, are prominent in Philadelphia's cultural and social life.

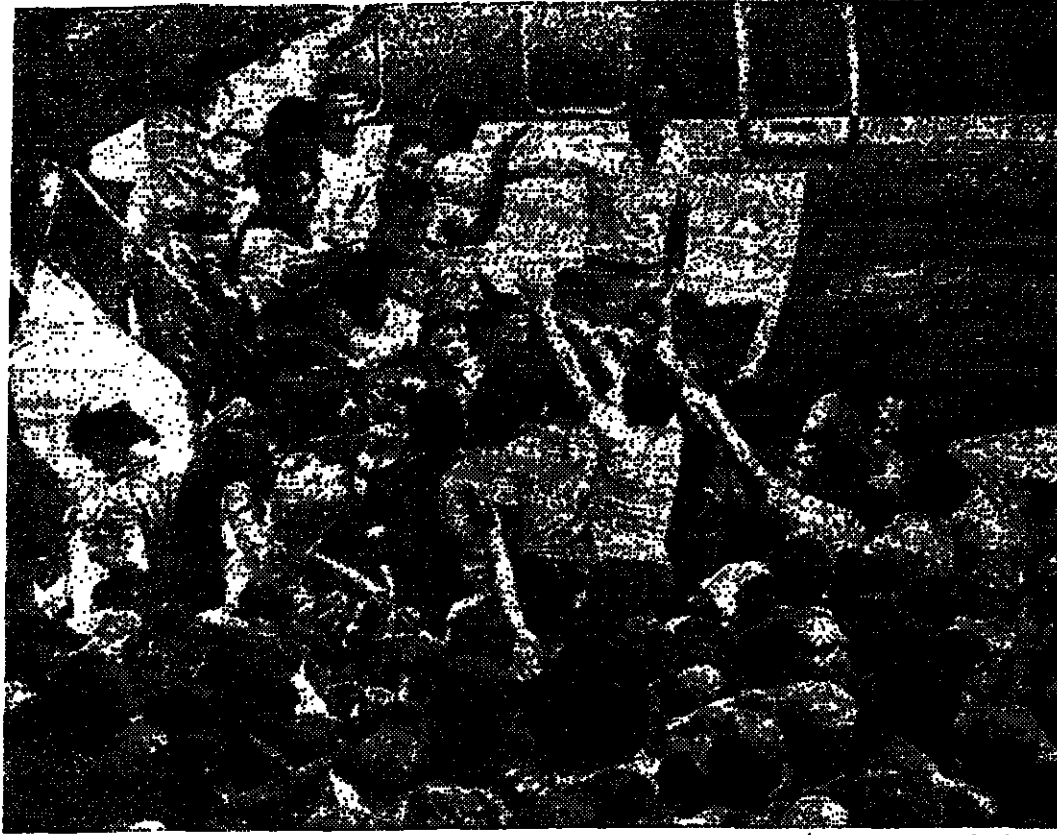
"I can imagine her fighting like hell," a close relative said. "She's one of the strongest-willed people I know. Things have a way of getting done the way she wants them done."

Food Fair Stores, Inc., based in Philadelphia, owns and operates one of the nation's largest chains of supermarkets, including those under the name Pantry Pride. The company reported sales of \$2.1 billion in the last fiscal year.

Bonn Parliament Unit To Probe Spy Affair
BONN, June 6 (Reuters).—The West German parliament today approved the appointment of a special commission to investigate the Guillaume spy scandal which caused the fall of Chancellor Willy Brandt's government last month.

Guenter Guillaume, 47, Mr. Brandt's former personal political assistant, is in prison awaiting trial on charges of espionage. His arrest at the end of April caused a government crisis and the resignation of Mr. Brandt.

'Houses' to Be Homes
COLON, Panama, June 6 (UPI).—The National Guard said that it will convert 14 brothels to apartment buildings to ease the housing shortage.



Israeli POWs released from Syria being mobbed by relatives on arrival in Tel Aviv.

As Israelis Begin Disengagement

POW Exchanges Completed in Mideast

TEL AVIV, June 6 (UPI).—Israel concluded its prisoner of war exchange with Syria this morning and gave 56 returning servicemen a joyful welcome home.

It also started its troop and weapons scaledown in the Golan Heights disengagement zone.

A frantic crowd almost knocked former Premier Golda Meir off her feet as the smiling POWs struggled to alight from their Red Cross plane.

At the same time, 382 Syrian, Moroccan and Iraqi war captives were returned to Damascus aboard two other Red Cross aircraft.

In Damascus, thousands of Syrians invaded the runway at the airport to welcome home the prisoners. Police had to use water hoses to disperse the crowd.

The through burst through police barriers when the first Red Cross jambo jet landed and parked more than a mile from the airport buildings. The crowd rushed across the runway and surrounded the plane.

About 500 policemen cleared the crowd. Then buses and army trucks were driven up to the aircraft to take the returning prisoners away to an undisclosed reception center.

The exchange occurred eight months to the day on which an Egyptian-Syrian surprise offensive began the Yom Kippur War, on Oct. 6.

This afternoon, Red Cross vehicles on the Golan Heights cease-fire line repatriated the coffins of eight Syrian war dead and 18 Israeli bodies that had been buried in enemy territory.

At Syrian request, newsmen were kept away from the crossing point.

The exchanges left the way clear for a 20-day troop and weapons disengagement process, as provided by the separation of forces accord signed in Geneva last week following a month of negotiations in Damascus and Jerusalem through the mediation of U.S. Secretary of State Henry Kissinger.

An Israeli Army spokesman said that "no part of the enclave" that Israeli forces created in Syria last October had been evacuated yet. "But there have been movements of troops and weapons," he said.

Military sources said heavy trucks and weapons carriers chugged the rutted two-lane roads of the enclave as they headed westward behind what will be a new Israeli front line by June 26.

The spokesman said he did not know whether United Nations buffer troops had taken up positions in the front-line areas still held by Israeli units. UN sources said the bulk of a 1,250-man UN force was encamped in and around the rubble-strewn town of Kuneitra, ready to assume its new positions.

There were unofficial reports in Damascus of intense troop movement by both the Syrians and the Israelis along the cease-fire line. But newsmen in Syria, barred from the front lines, were unable to verify the reports.

Officials at Welcoming
Premier Yitzhak Rabin and Defense Minister Shimon Peres joined Mrs. Meir in greeting the returning Israeli POWs.

Most of the prisoners were air-men shot down during the war of soldiers captured atop Mount Hermon on the first day of the war.

Yitzhak Nigokar, a dark-skinned Jew of Indian origin, hugged his parents and sister after pulling free of the frenzied crowd. He told them that "at the end they treated us very nicely, but only after we got packages from home" toward the end of their imprisonment.

Mr. Nigokar said that, for most of the time, the Syrians kept all the Israelis in a single cell with one latrine.

Julio Friedman, another survivor of the Mount Hermon attack, said, "During the last three months the treatment got better."

Asked about the earlier part of his captivity, he said, "I would rather not talk about it."

Waldheim in Cairo
CAIRO, June 6 (UPI).—UN Secretary-General Kurt Waldheim said today that there was now a "more relaxed atmosphere" in the Middle East.

Mr. Waldheim, who is on a Middle East tour, arrived for talks with President Anwar Sadat.

Mr. Waldheim's tour already has taken him to Lebanon, Syria, Israel and Jordan. "Hope for a peaceful solution of the Middle East crisis was expressed by all the governments I visited," he said.



GOING AWAY PRESENT—Former Israeli Defense Minister Moshe Dayan examines rifle given him as a gift by the Defense Ministry in Tel Aviv on Wednesday before he left office to be replaced by Shimon Peres (right).

U.S. Is Not Committed to Give Aid to Syria, Kissinger Says

(Continued from Page 1)
desert sun—angrily snapped out denials that he had performed himself by telling Senate committees that he was not involved in wire-taps on his subordinates more than five years ago.

"I have attempted to serve the government in an honorable manner for 1 1/2 years," he said at one point.

When the questions persisted about whether he knew that Mr. Young had joined the "plumbers," he observed: "I think this is a press conference, not a cross-examination."

Erlichman Statement
In the light of the recent assertions, including a declaration by former White House aide John Erlichman that Mr. Kissinger knew of Mr. Young's post with the "plumbers," the secretary of state had been asked today whether he had retained counsel to defend himself against charges of perjury.

"I have not retained counsel," he added. "I am not conducting my office as if it was a conspiracy."

Discussing India, Mr. Kissinger said that he is still planning to visit New Delhi soon.

There had been plans for him to go to India for a meeting with Prime Minister Indira Gandhi in early June, but he said he had to delay the trip, not because of the nuclear explosion, but as a result of the extension of his talks with Syria and Israel.

Ethiopia Ends Strike In Communications
ADDIS ABABA, Ethiopia, June 6 (AP).—Full internal and external tele, cable and telephone services resumed in Ethiopia yesterday after being cut off for 10 days.

Striking employees of the Ethiopian government's telecommunications agency returned to work following a government threat of dismissal if they failed to do so.

1,500 Return to the Beaches

Veterans and Diplomats Pay Tribute to the D-Day Dead

STE-MERE-EGLISE, France, June 6 (AP).—The Allies of World War II today commemorated the 30th anniversary of D-Day, with religious services, military parades and ceremonies in Normandy towns and at the invasion beaches.

It was also an occasion for war veterans to reminisce.

Veterans of the U.S. 2nd and 101st Airborne Divisions, who parachuted into the night around Ste-Mere-Eglise on D-Day, sat at a dinner today and exchanged recollections of their experience.

And three survivors of a U.S. Ranger battalion, which lost more than half its men storming a German stronghold on a cliff—at Pointe du Hoc—recreated their part in the battle, climbing the cliff with ropes as they did 30 years ago.

They took part in a mock assault with members of a Ranger unit now stationed in West Berlin.

American Sector
Today's ceremonies centered on the American sector of the invasion beachhead at the western edge of the landing zone. The British, Canadian and other Allied contingents that waded ashore to the east held commemorative ceremonies yesterday.

Ambassadors and generals from the Allied countries paid homage to the American dead in a wreath-laying ceremony at St.-Leger-sur-Mer, where a U.S. military cemetery is the last resting place of almost 10,000 servicemen.

The Allied invasion force in 1944 numbered 200,000 men and 5,000 ships.

Cornelius Ryan, who wrote "The Longest Day," estimates that total Allied casualties were 10,000 to 12,000 in the first 24 hours of the invasion.

The paratroopers of the 101st and 82d Airborne Divisions had the job of securing causeways through fields flooded by the Germans. Troops landing on the beaches were to spread inland along the causeways.

Ernest Stein, 73, who took part in the 1944 raid on Pointe du Hoc, recalled that the easiest thing was getting on top of the cliff.

"All Hell Broke Loose"
"But once we got up here, all hell broke loose," he said. "The Germans were popping up from everywhere and this place was barren and all blown to pieces by Allied bombardment."

The Ranger assignment was to silence six big coastal guns supposedly emplaced on the cliff top. But the guns had not been installed by the Germans and were parked unused on a road a mile inland.

Mr. Stein, a stocky man with graying hair, was asked how he remained fit enough to climb the cliff again today on a rope. "I'm a roofing contractor in New York, and I climb up and down ladders all the time," he replied.

This year's D-Day celebrations were the biggest ever held here, with 1,500 veterans and more than 350 officials attending.

Bradley at Ceremonies
The U.S. delegation was led by five-star Gen. Omar Bradley, 81, who commanded the U.S. First Army on D-Day. Because of his advanced age, Gen. Bradley attended only two ceremonies here and spent most of his time resting, aides said.

Gen. Bradley, insisting on removing his overcoat despite a chill wind, made a brief speech at a ceremony on Utah Beach, where the U.S. Fourth Infantry Division landed on D-Day.

"For as long as free men have lived, worked, worshipped, so long have their sons been summoned to arms against forces that would covet or destroy," he said.

But he emphasized that the United States does not consider the Indian nuclear development a change in the balance of power in the area.

Pakistan has sought guarantees from the United States and the United Nations Security Council of support in the event of a nuclear threat from India.

There was no indication when Mr. Kissinger would visit India, but late July was considered a strong possibility.

Bhutan King Says He Will Try 30 In Alleged Plot
THIMPHU, Bhutan, June 6 (AP).—The teen-age king of Bhutan says he will try about 30 persons for involvement in an assassination plot against him and track down several ring-leaders who escaped.

King Jigme Singhi Wangchuck, 18, told newsmen at a reception yesterday that the plotters wanted to take over Bhutan and use it as a staging area for guerrilla raids into Chinese-ruled Tibet.

Home Minister Tamji Jangar said the plot involved a brother of the Dalai Lama, the former Tibetan ruler, who now lives in India. Others implicated, he alleged, were a Tibetan cousin of King Wangchuck's late father, the Bhutanese commandant and numerous persons linked to previous political killings.

The conspiracy was discovered in March and about 30 persons were arrested. But the main leaders are still at large and presumed to be in India, officials said.

Spain, Vatican Agree To Maintain Concordat
MADRID, June 6 (UPI).—Spain and the Vatican today agreed to maintain their 1953 concordat governing church-state relations, but said that steps would soon be taken to update the agreement.

In a joint statement following three days of intense negotiations, Spanish Foreign Minister Rev. Agostino Casaroli, said that foreign affairs expert, the most Rev. Agostino Casaroli said that they had "agreed to bring the current concordat up to date and . . . soon begin an active phase of negotiation."

No date was set for further contacts.

Reward Set In Ireland By Earl's Son

(Continued from Page 1)
a member of the British Parliament before the succeeded to the title, but, since moving permanently to Ireland in 1948, has stayed out of political controversy. He lived the life of a gentleman-farmer, breeding and owning racehorses.

Meanwhile, in Britain an attempt was to be made today to persuade two of the IRA hunger strikers, Dolours and Marion Price, to end their fast.

Lord Brockway, an 85-year-old peer with a long record of support for humanitarian causes, met yesterday with Home Secretary Roy Jenkins and said he would visit the Price sisters later.

Lord Brockway indicated he will tell them that, if they cooperate, Mr. Jenkins will meet their demand for transfer to a prison near their home in Northern Ireland within a matter of months.

The sisters, like the other hunger strikers, were convicted of crimes of violence, or the IRA, in addition to transfer to Northern Ireland, they want the status of political prisoners.

The Home Office said yesterday that the condition of the sisters, who are drinking water but have gone without food for three weeks, is becoming difficult to check on as they are refusing medical examination.

"However, there is no apparent deterioration over the past 24 hours," it said.

Attacks in Lister
BELFAST, June 6 (UPI).—Two shooting attacks on British troops late yesterday broke a general calm throughout Northern Ireland, the British Army said today.

But it said there were no casualties in the separate shootings at Londonderry and Belleek, County Fermanagh, 84 miles west of Belfast, and the troops did not return fire.

W. Berlin Court Orders Return of Woman to East
BERLIN, June 6 (UPI).—Two shooting attacks on British troops late yesterday broke a general calm throughout Northern Ireland, the British Army said today.

But it said there were no casualties in the separate shootings at Londonderry and Belleek, County Fermanagh, 84 miles west of Belfast, and the troops did not return fire.

The court rejected an appeal to reverse its stand of last August that she must be extradited under a 21-year-old West German law.

However, Horst Kohler, head of the West Berlin Justice Department, said that he would ask the West German Justice Ministry to propose changes in the West German law of 1953 that provides for extradition.

Mrs. Bruckmann would be the first person extradited to East Germany on murder charges since the wall was built 13 years ago.

She was arrested a year ago when she confessed that she killed her father with a hammer while he tried to rape her and then fled to her mother in West Berlin.

3 More Rightists Arrested in Italy
ROME, June 6 (AP).—Police arrested three youths charged with attempting to resurrect the outlawed Fascist party. This brought to 31 the number of arrests in two months in a drive against rightist extremists in Italy.

Rightists have been reported by police to be plotting to create a crisis in Italy to bring about an authoritarian government.

Police stepped up their drive after a bomb exploded in the northern city of Brescia nine days ago, killing seven and injuring nearly 100 at a leftist rally.

The three arrested today, aged between 21 and 24, were from Verona. Another northern city where police said they had uncovered last year another rightist plot involving army officers.

Toilet Paper Rolls Get Japan Recount
TOKYO, June 6 (AP).—Toilet paper was unraveled across the floors of eight Fair Trade Commission offices throughout Japan today to check housewives' complaints of underpriced rolls.

In the Tokyo office, FTC officials said, about 10 percent of the 423 rolls checked had fewer sheets than specified on the label. They said warnings would be issued to the companies.

Deposit Box at Bank Looted of Gold Coins

LYONS, June 6 (AP).—Ingenious thieves stole gold coins worth about a million francs (\$200,000) from a safe-deposit box in the vault of a Credit Lyonnais bank branch, police revealed yesterday.

They apparently cut the bottom out of the box from an uncoupled safe-deposit box underneath it. The theft was discovered when Pierre Lesage, 65, went to the bank to take some cash from the box. The contents represented his life's savings.

Police are checking employees and safe-deposit box holders having access to the vault.



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Gifts from China

Cites Mitchell, Ehrlichman

Jaworski Sees Cover-Up From Start

WASHINGTON, June 6 (AP)—Special prosecutor Leon Jaworski says the Watergate cover-up by former members of President Nixon's inner circle began almost from the moment the original break-in at Democratic National Committee headquarters was discovered.

The prosecutor said yesterday that John Ehrlichman and John Mitchell "not only falsely withheld their knowledge of the break-in from government investigators, but also made use of that superior knowledge in performing various criminal actions designed to frustrate the investigation."

In legal briefs filed with U.S.

District Judge John Sirica, Mr. Jaworski said that while former White House domestic adviser Karlachman and former Attorney General Mitchell were fully aware of the details of the June 17, 1972, break-in, they told FBI agents all they knew came from the newspapers.

Mr. Mitchell was interviewed

by the FBI on July 5, 1972, 18 days after the break-in. Mr. Ehrlichman talked to FBI agents on July 21.

Prepared to Prove Case

"The government is prepared to prove that at the time of their respective FBI interviews, each defendant had extensive knowledge of the facts surrounding the

Watergate break-in, knowledge which far exceeded that of the investigators themselves," Mr. Jaworski said.

He filed the briefs in preparation for the Sept. 9 trial of Mr. Mitchell, Mr. Ehrlichman and four others accused in the cover-up. The other accused are presidential aides H.R. Haldeman and Gordon Strachan; former Assistant Attorney General Robert Mardian; and Kenneth Parkinson, a former attorney for the President's re-election committee.

Among other accusations, Mr. Mitchell and Mr. Ehrlichman are charged with lying to the FBI agents who interviewed them.

Both say the law under which they were charged with lying does not cover investigations like the one into the original Watergate break-in.

In his brief, Mr. Jaworski argued that, while there are a few cases in which lying to FBI agents has proven to be a non-convictable offense, this is not one of them.

"Unfortunate Example"

Instead, he said the course of the investigation "provides an unfortunate example" of the way the Justice Department's job can be perverted by the submission of false information to its investigators.

Judge Sirica has scheduled hearings next week on various requests from the defendants, who are seeking dismissal of the charges, a different trial location plus access to all evidence gathered by Mr. Jaworski's staff.

Also yesterday, the President's brothers, Donald and Edward Nixon, appeared before staff investigators of the Senate Watergate committee.

Sen. Herman Talmadge, D-Ga., said the Nixon brothers declined to answer some questions put to them and failed to appear at a second session.

Hughes Link Probed

Elmer Stone, an attorney for the brothers, said they were "in full compliance" with the committee's subpoena, to testify in connection with an investigation of money given by billionaire Howard Hughes to Charles (Bebe) Rebozo, the President's close friend.

Mr. Stone noted that the Nixon brothers have testified extensively on previous occasions.

Earlier this year, the committee reportedly received testimony from Herbert Kalmbach, the President's former personal attorney, linking the brothers to gifts allegedly made from a \$100,000 Hughes payment to Mr. Rebozo.

In another development, today the committee heard evidence on the wiretaps the administration placed between 1968 and 1971 on 17 National Security Council and White House aides and newsmen, in an effort to find the source of news leaks. Names of the individuals tapped were deleted from the material.

Committee members said there was no indication in the evidence that the taps disclosed any information of value.

Grand Jury Vote on Nixon

(Continued from Page 1)

ed a member, Rep. Wayne Owens, D-Utah.

"That's their judgment after they heard all they heard and it is a judgmental factor that is quite significant," Rep. Owens said.

Other members disagreed. "We have the responsibility under the Constitution to conduct our own investigation and come to our own conclusions," said Rep. Tom Rostenkowski, D-Ill.

Rep. Lawrence Hogan, R-Md., said: "I haven't heard or seen anything in this whole presentation that would warrant indicting the President."

The determination of who is to be indicted and who is to be named an unindicted co-conspirator is the responsibility of a grand jury, usually acting with the advice of prosecutors.

In a standard criminal case, an "unindicted co-conspirator" refers to a person the grand jury believes took part in a conspiracy but does not want to indict for one of two reasons—either the prosecution wants to use him as a witness against others or there is insufficient evidence to establish his guilt.

However, these reasons presumably did not apply to Mr. Nixon's case, in which the grand jurors apparently acted with more than normal caution.

In March, after the grand jury's secret report on Mr. Nixon was sent to the House committee, a high White House official said privately that if the grand jurors had any evidence involving the President, they would have named him in their indictment.

It could not be learned what led the grand jury allegedly to conclude that Mr. Nixon was involved in the cover-up conspiracy.

Mr. Jaworski, in court papers filed yesterday, agreed to a defense request to provide the names of "all persons alleged to have conspired with the defendants named in the indictment." He did not say when he would do so, or whether this information would be under seal and thus kept secret.

Mr. Jaworski noted that "some especially sensitive matters" were involved when he successfully urged the Supreme Court to bypass the Court of Appeals and take up the issue of his subpoena directly.

© Los Angeles Times.



South Vietnamese President Nguyen Van Thieu speaking in Thu Duc yesterday.

Battle for Village in 3d Day

Heavy Fighting Rages North of Saigon

SAIGON, June 6 (AP)—Fighting raged for the third straight day today over the government-held village of An Dien, 25 miles north of Saigon, field reports said.

South Vietnamese troops smashed a two-pronged North Vietnamese attack last night, leaving nearly 250 casualties on both sides, but the attackers launched another assault today. The Saigon military command listed government losses last night as at least 27 soldiers killed and 63 wounded. Today's fighting produced 30 more South Vietnamese casualties.

According to field reports, the North Vietnamese rained artillery shells into An Dien, into Ben Cat, a larger town nearly a mile to the east, and on a government column about half a mile south of the village.

Air Support

South Vietnamese planes and helicopter gunships flew more than 40 sorties today, striking at Communist-held positions north and northwest of the contested village, the reports said.

Government troops recaptured An Dien on Tuesday. It and two other outposts farther west of

Ben Cat fell to the North Vietnamese on May 17. The two other outposts were still in North Vietnamese hands.

Phnom Penh Shelled

In Cambodia, Khmer Rouge gunners fired four rockets into the heart of Phnom Penh this afternoon, killing four civilians and wounding seven.

Two cars were badly damaged when three Chinese-made 107-mm rockets exploded in a street. The fourth did no damage.

Earlier today, rebel gunners shelled the southern outskirts of Phnom Penh, killing eight persons and wounding 20.

Cambodian Premier Long Bort, who was attending a religious ceremony nearby, escaped unhurt.

U.S. Accused on Aid

SAIGON, June 6 (UPI)—President Nguyen Van Thieu said today that South Vietnam had not received military and economic aid pledged by the United States despite continued fighting 16 months after the Paris cease-fire agreement was signed.

Mr. Thieu told a teachers' congress at Thu Duc, six miles north of Saigon, "We agreed that the United States pull out its troops with the condition that aid should be given to South Vietnam to support its economy and army."

But all the American promises had "gone with the wind," he said.

Political observers said that the speech appeared to be a response to American congressmen who have voted to cut aid to South Vietnam. The U.S. Senate last month rejected a \$366-million request for military aid to Saigon in a supplemental budget for 1974.

Laos Violation Seen

VIENTIANE, Laos, June 6 (AP)—Defense Minister Sisouk Na Champassak reported today that there were still 44,500 North Vietnamese troops in Laos in violation of the Laotian peace agreement.

The agreements called for all foreign troops to be out of Laos by June 4.

"The Americans and the Thais have gone," Mr. Sisouk told a news conference, "but the North Vietnamese are still in Laos."

Meredith to Run As Independent, Bars Runoff Vote

JACKSON, Miss., June 6 (AP)—James Meredith, the black man who integrated the University of Mississippi a decade ago, withdrew yesterday from the runoff election for a Democratic congressional nomination and said that he would run as an independent in the fall.

He said that the runoff "is a senseless and useless election for me since the Mississippi regular Democratic party will not support me if I win."

Mr. Meredith, the leader in Tuesday's five-man primary election, claimed that the regular Democrats, one of two competing factions within the state Democratic party, would support incumbent Republican congressman Thad Cochran or an independent candidate against him.

Although Mr. Meredith finished first in the primary, he got only 31.8 percent of the vote and was forced into a June 25 runoff with Jackson television executive Kenneth Dean.

Auto Workers Retain Woodcock as President

LOS ANGELES, June 6 (AP)—Leonard Woodcock, 63, was re-elected president of the 1.5-million-member United Auto Workers by acclamation at the union's international convention yesterday.

He was named to a three-year term instead of the traditional two years. A resolution passed Tuesday extended the term, enabling Mr. Woodcock to head the UAW bargaining team in 1976 contract negotiations with General Motors, Ford and Chrysler.

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U.S., EEC in Talks On Trade, Energy

BRUSSELS, June 6 (UPI)—The United States and the European Economic Community opened two days of talks today on energy and trade.

The talks, which take place twice yearly, are the highest regularly scheduled contacts between the two economic powers. Leading the two delegations were Sir Christopher Soames, the Common Market's Commissioner for External Affairs, and Arthur Hartman, U.S. Under Secretary of State for European Affairs. William Eberle, President Nixon's special trade representative, also was present.

A U.S. spokesman said that the atmosphere for the talks was improved by the Common Market's agreement last week to compensate the United States for trade damage caused by the European bloc's expansion from six to nine nations.

AF Changes Stunt Jets

WASHINGTON, June 6 (AP)—The Air Force's Thunderbird aerial stunt team is switching from F-4 Phantom jets to lighter and cheaper T-38 jet trainers, the Air Force announced yesterday. It said the decision "was made in the interest of money and manpower saving and fuel economy."

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U.S. Sells Off Princely Gifts For Bargain Prices at Auction

By Maxine Cheshire

WASHINGTON, June 6 (UPI)—There was nothing about the diamond-and-ruby-studded necklace and ring to indicate that they had been given by a foreign head of state to a high-ranking U.S. official.

The jewels were being sold at auction in San Francisco, which is about as far away from Washington as the General Services Administration could get unless it wanted to hold the sale in Honolulu or Alaska.

The sale, on April 2 of this year, was the first of its kind that the GSA has ever conducted. It was an experiment by officials attempting to develop suitable procedures for disposal of surplus U.S. property which has been piling up as the result of the Foreign Gifts and Decorations Act of 1968.

Under that law, no American official or member of his family is allowed to keep gifts of more than \$50 minimal value given to them by any "king, prince or foreign state."

All such gifts become the property of the United States. They must ultimately be deposited in a museum or some other public repository or else turned over to the GSA for sale.

Offense to Givers
The GSA has been reluctant, until now, to hold such a sale, for fear of offending the countries which originally gave the gifts.

To try to keep word from getting back to embassies in Washington, circulars were mailed out to 3,424 persons on a list of those who have asked to be notified routinely when surplus property of any kind is being sold by Uncle Sam.

The items to be sold were deposited in the vault of a Wells

Fargo bank in San Francisco and prospective bidders were invited to inspect them there.

Besides the set of diamonds and rubies, there was a set of amber and a lot of five diamond-studded Swiss watches. None of the donors were disclosed.

A wealthy Yuma, Ariz., farmer, Edward Wavers, sent a representative on a round trip of 1,400 miles to buy the watches for \$8,053. He recognized the maker, Vacheron Constantin, he said, and knew they were worth at least twice what he paid for them. Vacheron Constantin watches sell for as high as \$3,000 each.

Big Dark Secret

Mr. Wavers, reached by phone this week, said that he tried in vain to get someone in the GSA to tell him something about the history of his watches, but "they kept it a big dark secret."

The amber went for a bargain \$130. The diamonds and rubies brought \$6,812.13 from a surplus broker in Grove City, Pa., R.O. Murphy Jr.

Mr. Murphy, who buys and sells government surplus regularly in vast quantities, says that he was assured by the GSA that "there would be more merchandise of this type coming on the market soon."

A GSA spokesman in Washington said only that no more sales "are contemplated at this time."

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17 Die Near Dacca

DACCA, June 6 (AP)—Seventeen persons were killed and three seriously injured when a bus skidded into a roadside canal near here today.

Joint Panel Votes Bill Giving Congress New Role on Budget

By Spencer Rich

WASHINGTON, June 6 (UPI)—House-Senate conferees agreed without dissent yesterday to a compromise bill establishing a revolutionary new congressional procedure for handling the gov-

ernment's budget, now running at \$804 billion.

Aimed at recapturing the power of the purse from the White House, the bill creates for the first time a system for Congress to consider the federal budget as a whole. Lacking any such system, congressional critics say, the legislative branch in practice has allowed the White House to make virtually all key budgetary decisions in recent years.

The measure, which also includes provisions to curb presidential impoundment or freezing of funds voted by Congress, is considered one of the most important in the drive to reassert congressional powers against alleged "presidential usurpation."

The compromise bill now goes back to the House and the Senate for routine final approval before being sent to the White House.

The bill for the first time establishes new budget committees in the House and the Senate to look over all proposals for federal spending, fix an overall target federal surplus or deficit figure, set a ceiling on federal outlays as a whole, and divide up the overall spending total among 14 broad categories like defense, natural resources, health and agriculture.

On May 15 each year, Congress would have to complete action on an initial concurrent resolution setting out the target spending figures. The resolution would be handled by the budget committees. Then, during the rest of the spring and summer, the appropriations committees would report out spending bills for individual federal departments. On Sept. 15, Congress would pass a second concurrent resolution adjusting overall spending targets in accord with economic and policy developments since May 15.

If the amounts in the individual appropriations bills added up to more than the totals in the Sept. 15 concurrent resolution, then Congress by Sept. 25 would have to pass a "reconciliation bill" making any cutbacks needed to stay within the Sept. 15 guidelines.

The start of the fiscal year, at present July 1, would be moved to Oct. 1 to give Congress the time to complete the overall budget process described above. A congressional budget office with a nonpartisan director would be established to give Congress a mini-budget-bureau of its own to provide technical advice and aid to the budget committees.

The final bill provides that, if the President wants to impound appropriated funds for policy reasons, he must ask Congress to pass a special cutback bill. But if the President simply wants to delay making an outlay, or hold it up for technical instead of policy purposes, he can do so, provided neither chamber of Congress disapproves.

A Technicality, But U.S. Could Be Bankrupt

WASHINGTON, June 6 (UPI)—The federal government may have gone bankrupt this week.

"It's only a technicality," a Treasury official said. "Actually, we can hold on for about two weeks, but it gets hairy."

The U.S. Treasury probably reached the legal debt ceiling of \$475.7 billion Saturday and depleted its cash balances yesterday. When the debt ceiling, imposed by Congress, is reached the government cannot borrow any more money.

No one knows officially yet because the government reports what it has spent about six days after the money is gone. But the Treasury Department said yesterday the debt had risen to \$475.5 billion and cash on hand had shrunk to \$7.5 billion on Friday.

Gen. Abrams Has Lung Removed

WASHINGTON, June 6 (AP)—Surgeons removed the cancerous left lung of Gen. Creighton Abrams, 58, in a four-hour operation today.

"All visible evidence of the malignancy has been removed," Army spokesman said. "Gen. Abrams tolerated surgery well and will remain in the recovery suite a number of days," the spokesman said.

Gen. Abrams, the Army chief of staff, entered Walter Reed Army Medical Center on May 23 for treatment for the Army called "a mild case of pneumonia." Tests showed the presence of cancer in his left lung last week.

3 U.S. Pupils Ill

NEWARK, N.J., June 6 (AP)—Eighty-three children at a parish school suffered eye irritation, nausea and dizziness yesterday when workers demolishing a faulty building accidentally released a refrigeration pipe containing ammonia. The children were treated at a hospital, but none was seriously injured, officials said.

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What Mr. Colson Said

There is a lot of speculation about what testimony Charles W. Colson will provide for the Watergate prosecution and for the House Judiciary Committee's impeachment proceedings in the trials and hearings that lie ahead. These matters, however, must remain in the realm of such speculation. The same is not true of the implications of what Mr. Colson actually did say in pleading guilty to a felony in Judge Gerhard Gesell's courtroom on Monday. For the fact is that Mr. Colson did add considerably to our knowledge. He did so in several ways.

The first of these is more a corroboration of previous testimony (and suspicion) than an actual disclosure. Last year, Mr. Nixon told us that the break-in to the office of Daniel Ellsberg's psychiatrist committed by members of his plumbing staff proceeded from an excessively zealous desire on their part to fulfill an urgent national security mandate which he characterized as having been to acquire as much information as possible "about Mr. Ellsberg's associates and motives." Acquire is the key word here: Mr. Nixon implied that the purpose of this exercise—as distinct from the methods employed—was the wholly legitimate one of informing the government as to any potential further breaches of security (following the disclosure of the Pentagon papers) that Mr. Ellsberg might commit. In pleading guilty to a felony in the same matter a few months ago, the President's former assistant and chief "plumber," Egli Krogh Jr., however, asserted that at least part of the purpose of the mission had been to assemble a dossier for use "in discrediting Dr. Ellsberg as an anti-war spokesman."

Mr. Colson was a good deal more explicit. The crime to which he pled guilty was that of obstructing justice in his official capacity as an officer of the United States government by "devising and implementing a scheme to defame and destroy the public image of Daniel Ellsberg and those engaged in [his] legal defense." Addressing Judge Gesell's court, Mr. Colson went further, saying that "my motive—my purpose—in seek-

ing to disseminate derogatory information about Dr. Ellsberg and his lawyer was to neutralize Dr. Ellsberg as an anti-war spokesman in order to further the President's aims for ending the Vietnam war."

What Mr. Colson is telling us here is that the concept of national security and its protection which animated his activities was very much of a piece with that famous bit of marginalia that adorned the enemies list next to the name of another war critic and former Nixon aide, Morton Halperin: "A scandal would be most helpful here." Thus Mr. Colson has further discredited the easily invoked national security rationale and given us a clearer understanding of the sneers that were committed in its name—at least as they were understood by their perpetrators. The question that arises is whether Mr. Colson's former employer, the President of the United States, was aware of this particular activity.

It is by no means a trivial question. Mr. Colson has pleaded guilty to a crime committed in the White House—with the use of the President's authority and in some degree at his behest. And this is a felony quite distinct from those for which indictments of Mr. Nixon's former subordinates have already been handed down. The President has disassociated himself from any knowledge of the burglary of Dr. Ellsberg's psychiatrist's office. So, interestingly, has Mr. Colson. But the crime to which Mr. Colson has pled guilty does not involve participation in or even foreknowledge of the resort to a break-in to obtain information about Dr. Ellsberg. It merely involves a campaign to use governmental powers to acquire and disseminate derogatory information about a defendant in a criminal case being tried by the same government that was working the dark alleys on the side. Was Mr. Nixon as innocent of any knowledge of these criminal aspects of the endeavor as he says he was of the burglary itself? This question should become an urgent concern of the House Judiciary Committee.

THE WASHINGTON POST.

Washington's Greek Problem

Greece presents the extraordinary spectacle of a government whose worth and staying power are questioned, at least privately, by virtually all of its allies. This is the result of the flailing performance of Brig. Gen. Dimitrios Ioannides, chief of the military police. He ousted the former military dictator George Papadopoulos last fall and installed a junta of his own. But where the Papadopoulos regime conveyed—while it lasted—a certain impression of harsh stability, the rule of Gen. Ioannides gives off a contrary impression of weakness and impermanence. The Greek economy nourishes the highest inflation rate in Europe. Practically no figure of prominence has joined the new regime. Purges and disaffection have weakened the armed forces. Just about the only area of "achievement" lies in repression. The regime has reopened the prison camp on the island of Yaros.

If Greece were not Greece, all this might be of no great consequence to Americans. But Greece is a traditional friend and a NATO ally and, in some measure, an American dependency. The United States has sentimental, moral, political and strategic reasons to be concerned about the continued despoliation of Greek public life by a small clique of military men and police officers. During the six Papadopoulos years it was feasible—if, finally, fruitless—for the United States to expect that the regime would move slowly back toward representative government. Gen. Ioannides, however, has not even gone through the motions of pledging to restore democracy. The sterility and narrowness of his leadership make it unrealistic for the United States to keep on believing

that time will mellow his rule. This removes, in our view, an important reason for deferring to the junta, as Washington did in earlier years. Now, if not formerly, American deference is likely only to be exploited by the dictators in Athens to solidify their own power.

The new junta's not so subtle threat is, if the United States cools, to quit NATO and thereby to dump upon Washington a whole range of geopolitical troubles. Some Greeks in the junta seem to think they could adopt a kind of neutralism on the model of Libya's dictator Qadhafi; others do not appear to have thought out their country's choices. The junta has declined to let an American aircraft carrier join the six destroyers already "homeported" at Athens, until a substantial amount of new military hardware is forthcoming. Some American military men, eager to use Greek military facilities, are prepared to swallow this treatment in the name of Mediterranean strategic requirements. It becomes increasingly a question, however, whether grand strategy compels the United States to follow a policy which many democratically minded Greeks identify with an uncritical embrace of the junta. Grand strategy in the long term may well require the United States to insure its position with the Greek people by stepping back a pace from the current regime.

At the very least it is time to stop the flow of high-level visitors and salutations and to start strongly asserting the American interests—the moral interests as well as the political interests—in Greece's return to liberty.

THE WASHINGTON POST.

Nuclear Missile Build-Up

The Soviet missile build-up, now about to enter the MIRV multiple warhead era, and the Pentagon's numerous development programs for new and more deadly strategic weapons, now under Senate debate, point up the danger involved in considering a calling off of President Nixon's summit meeting in Moscow with Leonid Brezhnev at the end of the month. Both sides are heading toward a nuclear war-fighting capability that may replace the stability of mutual terror with "shoot first" nuclear nervousness.

A second Strategic Arms Limitation Treaty (SALT-2) evidently cannot be completed this month. But it may still be possible to reach partial agreements, at least in principle, that would open the way for limiting the MIRV build-up before it gets beyond control. Reinforcement of the 1972 Anti-Ballistic Missile Treaty by freezing deployment at the present one site for each side,

instead of the two sites permitted by the treaty, would be another useful step.

Agreements on European security appear unlikely in Moscow unless Secretary Kissinger can win West European consent at the mid-month NATO ministerial meeting in Ottawa. But a full discussion with Moscow on Mideast issues is increasingly necessary if the progress toward peace achieved so far is to be carried further. Mr. Nixon's tour of the Mideast, starting Monday, should strengthen the authority with which he will be able to speak in Moscow.

The third Nixon-Brezhnev summit will not bring the millennium. It undoubtedly will produce more declaratory than substantive policy changes. But against the limited progress that is now forecast must be measured the dangers of halting progress entirely by putting defense on ice until Watergate is resolved. THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago

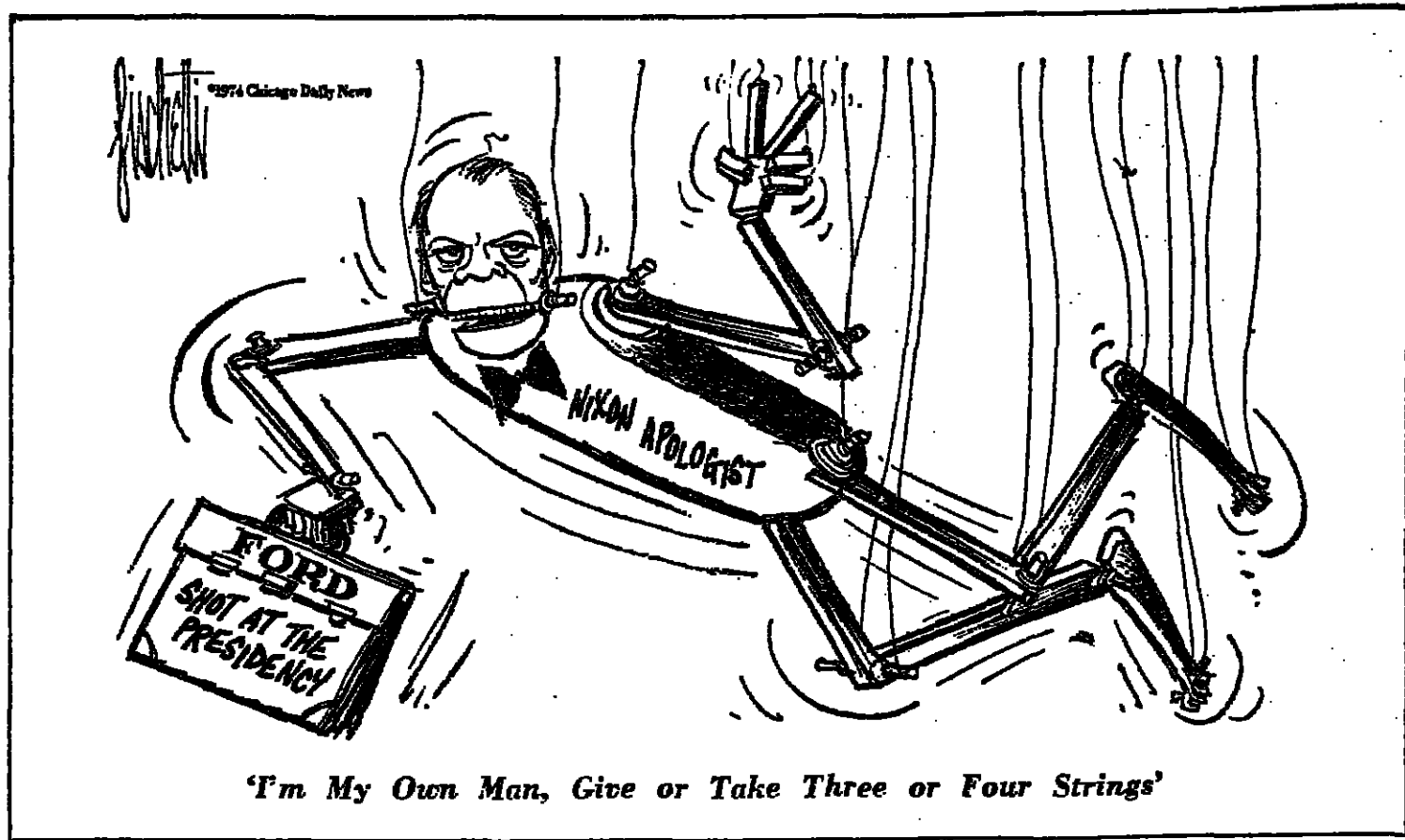
June 7, 1899

PARIS—Johann Strauss, 1825-1899, has just died in Vienna. For half a century he was the recognized, indisputable "Waltz King," as his father had been for 20 years before him. Not only was his music played, hummed and loved in Austria and Germany, but all over Europe and America and the whole of the civilized world. His greatest and eternal epitaph will be the laughter and merriment of dancing couples the world over.

Fifty Years Ago

June 7, 1924

PARIS—If you are writing to friends in what used to be Russia, don't be surprised if your letters fail to arrive. The Soviet government has just notified foreign governments that the official name of the country is now the Union of Soviet Socialist Republics, with the abbreviation U.S.S.R. in English and U.R.S.S. in French, alone permissible in the future any letter with Russia in the address will be returned to the sender.



'I'm My Own Man, Give or Take Three or Four Strings'

Peace With Honor in Vietnam—2

By Anthony Lewis

BOSTON—Whatever their views on Vietnam, most Americans would agree that the way we got into that war was a disaster. We were taken by deception—by leaders who falsely assured us that we were only responding to a Vietnamese request, that our troops had a limited role, that victory was around the corner, and so on.

We have paid a terrible price for that deception, in politics and economics and belief in our ideals. Surely we ought to know that. Yet we are in danger of allowing ourselves to be deceived about the end of our war in Vietnam as we were about the beginning.

The first detailed account of the steps leading to the Vietnam truce agreement is given by Ted Sauter in the current Foreign Policy magazine. When one reflects on the story, what is striking is those familiar official attitudes: deceit, secrecy, contempt for public opinion.

Brutal Measures

President Nixon had repeatedly told us, for example, that he forced North Vietnam to accept the agreement by bombing Hanoi over Christmas, 1972. But Hanoi had long ago agreed to the terms; it urgently wanted to sign in October what we finally signed the following January. The real reason for the bombing was South Vietnam, and the South piece shows that the bombing was designed to demonstrate our willingness to use the most brutal measures in its support.

Why does the President persist in so transparent a misrepresentation of the Christmas bombing? Because the bombing had another purpose as well: to impress right-wing opinion in this country with our "toughness"—to foster the illusion that we smashed our way out of Vietnam with a kind of victory called "honor."

In this fantasy, American firmness successfully answered aggression. We ended our role in Vietnam with a strong government in Saigon able to maintain its own security, and with peace secured. The reality is different. When we began our full-scale military action in Vietnam, in 1965, there were about 3,000 North Vietnamese troops in the South; in the end we implicitly accepted the presence of 130,000 to 140,000. So much for "victory." The Saigon government would not last a day without the United States. The President has not ended. The U.S. role has not ended. The President wants to spend more than half of all American aid for the next year, economic and military, in Indochina and of course there is no peace for the Vietnamese.

Face Saving

The officially maintained illusion of toughness, victory and honor is a piece of Caucasian face-saving. It fits perfectly with Henry Kissinger's fear of a right-wing reaction in America if our withdrawal from Vietnam were seen as a defeat. It fits with Nixon's stated view of Americans as "children"—who cannot be told the truth.

When the Sauter article appeared, the State Department handled it with the same attitude of contempt for public intelligence. Asked about its mention of secret commitments to Hanoi, an official spokesman said there were none. Later, he was shown a secret State Department document saying that the United States had "assured" Hanoi that it would remove all U.S. civilian employees of the Saigon Army within a year, as we have not done. The spokesman then said that he had not been asked about American civilians, but only about secret commitments. The word "assurance," he explained, did not mean "commitment."

Almost Nothing

Congress has to a great extent been an accomplice in the policy of disingenuousness about the end of the war. Sen. Fulbright could give a wonderful, world-weary speech about the United States in Vietnam, but he did almost nothing; he and his Foreign Relations Committee colleagues have seldom even asked Kissinger hard questions. Nor has

the press been exactly a tiger in getting at the truth of what we did and what we promised before the truce agreement.

In short, we are getting more of what took us into Vietnam: the surreptitious manipulation of power, the selling of illusions, the avoidance of hard truths. Do we really want to pay the corrupting price for all that again? Or are we ready to face realities now—ready to believe that, with all its inconveniences, democracy suits us better than government by secrecy and deceit?

There are reasons to think that Americans would prefer the truth, however unpleasant. People are showing increasing disgust with the official fantasies. The Chicago Tribune, which along with The Washington Post published the text of the Sauter article in substantial part, wrote recently that it had supported Nixon in Vietnam but was concerned now about the word "honor." After the "fearful price" paid from 1969 to 1973, it said, "the killing goes on, and we can wonder, as the French must have wondered

after Dien Bien Phu, how high the price for that honor, and how legitimate it was."

It is not healthy for any people to fool themselves about what they have done—not Frenchmen, not Germans, not Americans. Our society will continue to suffer from the effects of Vietnam until we tell ourselves the truth: that intervention was a mistake, that our intervention was destructive, that there can be no peace and no honor until we abandon the illusion of a civilizing mission in Vietnam.

Kissinger's Latin Diplomacy

By Stephen S. Rosenfeld

WASHINGTON.—Secretary of State Henry Kissinger has been heard to muse about Latin America along these lines:

The public perception of Europe sees a strong Atlantic alliance and great unity, where in fact the alliance is not strong and unity is slight. Meanwhile, the public perception of Latin America is of conflict and great divisiveness, where in fact there is a solid underlying community of interest. They need us, Kissinger said of the Latins, and we need them.

Two considerations seem to have produced Kissinger's sudden but calculated appreciation of Latin America, a region which has long felt under-appreciated by a succession of American administrations.

On the conceptual level: Latin America may not loom large in the world balance of power as measured in conventional military-political terms but it does loom large in terms of world resources, a dimension given new prominence by the energy crisis and its aftermath. It is also a major market for American exports, an important factor as the requirement grows for earnings with which to pay for oil.

On the practical level, Kissinger has apparently found in his few but intense personal sessions with Latins that they are more reasonable to deal with than he had

been led to believe: differences are put on the table, there is give and take, consultation works. In contrast to his encounters with Europeans, Kissinger has come away from Latins with good vibes. The upshot is a new policy, one eschewing the social evangelism and anti-communist thrust of the Alliance for Progress and, instead, focusing on removing ideological barriers, smoothing out political bumps and ensuring the orderly running of hemispheric economic affairs. You might call the policy Alliance for Business.

Cuba Blurred

Cuba has been considerably blurred as an issue polarizing the Americas, leaving a curious situation: a lot of Americans find their government's Cuba policy anomalous but Latins mostly praise American policy by. Allende's fall and death in Chile fortuitously terminated the only other local country situation which put the United States and some Latins into major ideological or political collision.

The Soviet Union, having bet on a socialist Chile and lost, seems now to be placing a new bet on Argentina, which has its own reasons at home to lean left abroad. But nobody in Washington seems to have worked up a sweat about it.

The political bumps already

reduced by Kissinger include the Panama Canal, an expropriation dispute in Peru, fisheries off the Latin West Coast, and so on. Not all of these are solved. Regarding the canal, for instance, Strom Thurmond constitutes a powerful obstacle in the Senate. Kissinger counts, however, on a showing of activity and concern, at least by the executive branch.

In economic affairs, the Kissinger style is to set up working groups in which knotty perennial issues like multinational corporations and investment disputes can be diverted from the political arena to the less volatile ways of the bureaucracy.

In a rare personal intervention, he received the Jamaican prime minister in March, hoping to promote a negotiated agreement on revenue between Kingston and the American bauxite companies. The effort failed but there has so far been almost no harmful political fallout from what could have been a poisonous dispute of ITT dimensions.

Competition?

Kissinger's predecessors worked for years to induce West Europe and Japan to invest in the Inter-American Development Bank. With the new economic conditions, however, Kissinger said in effect: why help being competitors into a good American market? So West Europe and Japan are not joining the bank.

There is in Kissinger's Latin approach a casual and pragmatic or opportunistic aspect, which disturbs some old Latin hands. They worry that the secretary's facile use of diplomacy to improve the hemisphere's business climate pays too little heed to the real political rapids still to be run in Latin America, and to Latin nationalism and the potential for anti-Americanism.

Others fear that Kissinger is riding for a bad fall. If the Congress does not take the major steps on trade and aid on which the deeper success of his policy rests, Tariff preferences for Latin exports, for instance, he on the other side of the administration's trade bill, which is stalled on the Hill. The Congress is sitting on new development money, too.

There is also a human rights lobby, which deplores that some of the governments with which the United States is strengthening its ties are harsh and repressive and some aim more at economic growth than social justice. Kissinger, however, is moving ahead. His policy has a rationale—resources and a momentum—Latins appreciate his style and his occasional personal attentions. The rhetoric is properly deferential. The reality is... well, let's wait and see.

Letters

Glued to the Seat

Sindhu, my 9-year-old daughter, likes to look at the daily cartoons. It is not always easy to explain to her what the political cartoons mean. This morning I was showing her the cartoon by Bill Mauldin (IHT, May 27) showing Nixon putting glue on his presidential chair. She laughed and said: "But that glue will only stick his pants. What happens if they throw him out without the pants?"

K. R. MALKANI,
New Delhi.

On Kissinger

Let us all be dazzled by Dr. Kissinger's brilliance in negotiating an accord in the Middle East, as was evidently The New York Times when it said he has at last earned his Nobel Peace Prize. I hope my fellow IET readers noticed other items on your May 31 editorial page. Notably columns on torture in some of America's "client" countries and the Nixon administration's vendetta against Castro.

Where is the peace in South Vietnam negotiated by Dr. Kissinger, when warfare continues at as high a rate as before, except that American troops are no longer involved? Why did Dr. Kissinger support Pakistan when its troops were slaughtering and raping hundreds of thousands of Bengalis? Where were the protests of the man of peace when his boss made his "lone decision" to bomb Hanoi at Christmas and extended the war to Cambodia, hitherto untouched by the fighting?

This is not to belittle the genuine achievement of Dr. Kissinger in the Middle East. But in view of his past policies I am afraid that he, like so many of our political leaders, firmly be-

lieves that the end justifies the means, and neither the end nor the means are for the benefit of humanity.

ELLEN NORBOM,
Commingny, Switzerland.

Head It Off

Inundated as we are with Watergate revelations, one waits in vain for a clarion call from the press, a politician—preferably both—to give priority to legislation that would prevent future political crises of this nature. Instead we get chapter and verse on the Rise and Decline of Richard Nixon. The President is, of course, the highest elected official, but shouldn't we also be looking at all elective offices, charting the progress of bills regarding not just election procedures, but also definite rules concerning conduct and practices in office applicable to all elected officials?

Exciting as it is to witness history in the making and to receive a civics lesson on the Constitution to boot, this instance of unusual popular interest in government should be used to demand the enactment of truly constructive legislation. The chance to improve the system is now—not after this turgid episode ends and euphoric clouds of contentment rise to obscure the basic issues.

If this opportunity slips away, Americans will look silly indeed when the next "Watergate" opens up.

JAMES P. WERLOCK,
Lewes, England.

Serpico's Dog

If the "engaging dog" in "Serpico" is a shepherd dog, as your film critic Thomas Quinn Curtis writes (IET, May 28), then I'm Pope Pius XI.

JOSEF STAYCK,
Tel Aviv.

Another Look At Brandt Resignation

By William Buckle

NEW YORK—I have in mind on the matter of Brandt which has received adequate attention, perhaps cause it has been too highly confidential.

The published story of Willy Brandt's resignation because his intelligence discovered that Guntar Guilleme, an intimate and his closest aide, was in fact East German Communist. Rather than fight to win himself—the story Brandt elected to show famous Prussian manliness resigning his office, with editorial organs of the sang his praises and the closed on Götterdämmerung.

It is, according to peer Germany supposedly in the a little more complicated that.

Early in 1973—i.e., 18 months ago—the intelligence agency, the West German government, apparently approached Chla Brandt and told him that Guilleme was a Communist. The news was also stunning. It was as if he had approached Richard Nixon and told him that Alexander Haig was an enemy agent.

Brandt not only refused the word of his intelligence agency, he ordered that it be suppressed—I don't know German word for it, but they call it a coverup. I demanded "incontrovertible" against Guilleme.

Extra Reason

This proof was finally found early in the year. But a point Brandt persisted in not to fire him. This time in that to do so would be to light on his failure to fire earlier, and if this transparent government would very probably fail. He did not desire him, and to fall for the reasons that run through red politicians, but there was a reason besides.

Sometime before he became chancellor, Brandt had a chance with a German lady who you believe it?—was also a German spy. But this swooning in the arms of a leader of the Social Democratic party, told him that gre beautiful Willy had converted away from communism, to democracy. Unfortunately long after Brandt became cello, the lady who in the time had gone to work for German intelligence, and her intention of publishing memoirs. She suggested I would overcome her desire to write.

I don't know what they are in Germany, but here they blackmail. So apparently, Brandt, who didn't have a of his own sitting about, the intelligence agency's over the money to the I don't know what they call in Germany, but here they blackmail, corruption of a general agency, and all kinds of words, of which Mr. Al Lewis keeps the master list.

Too Much

This proved to be too and a few of the close friends Willy Brandt who are not communist agents apparently him he had to go. The native was really too much to contemplate. For one this could think of a West man secret of the past few that had not been found Guntar Guilleme. When I finally arrested, the Moscow devoted only three lines. story, and did not deny Guilleme was one of their inner circle now told Brandt things were getting so bad didn't resign he might very face arrest.

So he went. And the in the western world gave him tributes. The New York even permitted itself to wonder whether Brandt hadn't be up by his right-wing enemies of Willy Brandt's, shed Ostpolitik that skulked the corridors of Bonn. So, strode off the national stage as most of the press termed—something of a making a huge personal in the eyes of an administration that could happen plain anybody.

But just plain anybody's calculations of, say, Art Cio, or Leon Jaworski, was of treasonous neglect and impertinence.

Hughes Files Are Taken in L.A. Break-In

Safes, Desks Riffled
At Hollywood Office

By John Kendall

LOS ANGELES, June 6.—Armed burglars raided Howard Hughes' Hollywood office early yesterday, springing open two large safes, riffling personal files and escaping with about \$60,000 in cash.

The going bound, gagged and blindfolded a security guard and spent nearly four hours in Hughes' two-story, warehouse-like building. The complex of offices is devoted to Mr. Hughes' motion picture interests and serves as a communication center for his personal affairs.

It was the third time this year that a Hughes office has been "robbed" or burglarized. Early in February, in Las Vegas, the office of Summa Corp., part of Mr. Hughes' Nevada operations, was burglarized. Confidential papers were reportedly taken.

In late April, a voice scrambler used for telephone conversations, camera and a typewriter were taken from Summa offices here.

Gun in His Back

The security guard told the police he was making his rounds when someone stuck a gun in his back and forced him into the building. He said he saw two men and guessed there were several others. The guard freed himself and called police shortly after the break-in.

The burglars used keyhole punches to open two safes. They rifled open three smaller safes, sent through personal files and unmarked desks. They went through the first and second floors of the building without rousing employees in the communications center.

The police said Mr. Hughes' representatives would not discuss what might have been in the personal files.

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DREADED DISEASE—Indian health official inoculating resident of northeastern state of Bihar in an effort to contain smallpox epidemic which has already claimed more than 10,000 lives this year. The Indian government is receiving international aid, doctors and serum, through the World Health Organization.

House Rejects Bill Continuing Sugar Subsidies and Quotas

WASHINGTON, June 6 (UPI).

The House yesterday voted down a new federal sugar program, apparently killing the 40-year-old Sugar Act and freeing the market from government subsidies, import quotas and complicated pricing formulas.

Liberal and conservative, prodded by consumer groups and big industrial users of sugar, joined to let the program lapse in July, 1975. The bill was defeated, 209 to 175. Leading House proponents of the bill said they would not try to resurrect it.

The program, which opponents had said would cost consumers more than \$500 million annually, was killed at a time when the market price of sugar was at its highest level in 50 years.

Wiped out in addition to the government's "price objective" formula, were the quotas under which about 30 countries imported sugar. Also eliminated was about \$30 million in government payments to farmers.

Rep. W.R. Poage, a Texas Democrat who is chairman of the Agriculture Committee, called the defeat "most unfortunate" and warned that consumers could expect "still higher prices."

But there was widespread evidence of impatience with continued government control at a time when sugar prices are soaring. A typical dissent came from Rep. John Dingell, D-Mich.

"Congress may eventually come to the conclusion that subsidizing a horde of lobbyists and subsidizing foreign governments is unwise," Rep. Dingell declared before the vote.

The outlook for the sugar program was not altogether clear. A similar proposal is pending in the Senate, where it is under the jurisdiction of the Finance Committee.

The unit's chairman, Sen. Russell Long, D-La., is from a major sugar-producing state and can be expected to make an effort to revive the program.

Special Groups
Some special interest groups, such as organized labor, sought merely to make various provisions of the law more to their liking. But others thought high prices made the program obsolete.

The proposed five-year extension of the law would have increased the government's "price objective" by a half-cent a pound. While the move was expected to have no immediate effect on the market price, already far above the "objective," the increase caused concern among consumer groups.

The defeated legislation would have continued, at a reduced level, payments to farmers for raising sugar. The new program would have stopped government subsidies for any single producer at \$9,400 a year, beginning July 1, 1975.

Payments to the farmers have

been running at about \$90 million annually. The proposed changes would have reduced the total to about \$30 million. Opponents charged that relatively few big farmers received a disproportionate share.

The defeated bill would have set a minimum annual quota for sugar production of 12 million tons, with 6,885 million tons coming from five major domestic producing areas and 5,315 million tons coming from overseas.

The foreign quotas, which would lapse at the end of the year without a new law, were a frequent source of diplomatic and political debate and lobbying. Both Cuba and Rhodesia had lost their quotas.

Staff at UN Acts to Save An Ex-Aide

By Kathleen Teltsch

UNITED NATIONS, N.Y., June 6 (UPI)—A hurried effort has begun to save the life of a former UN official sentenced to death by firing squad in Bulgaria after being convicted as a spy.

The convicted man is Heinrich Nathan Schepeter, a 53-year-old Bulgarian economist who served with the UN for six years and with its affiliated Industrial Development Organization in Vienna.

According to former associates here, Mr. Schepeter left his Vienna post in 1972 against his wishes after the Bulgarian government ordered him home. They say that Mr. Schepeter, son of a well-known physician and a Jew, probably became a target because he was known as a political dissident who made no secret of his disillusionment with the Communist regime.

News of the conviction was contained in a dispatch by the Bulgarian press agency. It did not mention Mr. Schepeter's UN links and said that the death sentence had not been carried out, indicating there might be an appeal.

The staff union here held an emergency meeting and sent an appeal to Bulgarian authorities. UN officials were also known to have interceded, as did Amnesty International and the International League for the Rights of Man.

Charges Noted
Former associates who made telephone inquiries were told that Mr. Schepeter had been accused of being in the pay of unspecified foreign intelligence services, that incriminating papers had been found in his home and that he had confessed to espionage.

Legal authorities familiar with the Bulgarian court system said it was customary to allow no more than four to five days for an appeal against the sentence, which was handed down Saturday.

At the time of Mr. Schepeter's arrest, he was working in the Economic Institute of the Bulgarian Academy of Sciences, according to information received here.

Friends here described Mr. Schepeter as a bookish, mild-mannered man who was immersed in his UN work.

They believed that, at least at the start of his UN career, he was on good terms with the Bulgarian authorities. He was recommended for the post by his government and he took home leave in Bulgaria with his family. Only later, they added, did he make it clear that he was disillusioned.

**Transport Walkout
Set Today in Italy**

ROME, June 6 (Reuters).—Italian airports will be paralyzed for four hours tomorrow morning as more than 500,000 transport workers stage a nationwide strike against the government's transport policies.

The country's three main trade union federations said today that train services and ferries, ports and other maritime services will all be affected at various times during the day.

U.S. Control On Oil Deals Gets Backing

Energy Chief Endorses
Curbs on Companies

By Morton Mintz

WASHINGTON, June 6 (UPI).—Federal Energy Administrator John Sawhill yesterday endorsed a proposal that government approval be required for international oil companies' price agreements with producer countries.

There was uncertainty about how others in the administration viewed the legislation, to be introduced by Sen. Frank Church, D., Idaho.

Sen. Church, emphasizing that major oil companies' profits and producing countries' prices have increased "in tandem," told a hearing of his Senate Subcommittee on Multinational Corporations that the companies lack incentive—as well as leverage—to hold down prices for Middle East crude.

Mr. Sawhill said that his agency has begun "an intensive and far-reaching study" of how the government can acquire "an effective voice on the terms by which oil is imported."

Important Consequences

"Very important consequences" for prices may flow from negotiations in Geneva between Saudi Arabia and the owners of the Arabian American Oil Co. on the share of ownership in Aramco that Saudi Arabia is to acquire, Sen. Church said.

But, the subcommittee counsel, Jerome Levinson, said, none of the companies had consulted with the government before undertaking the negotiations. He said that in exchange for an assured supply of crude, the companies may be willing to accept higher prices that would aggravate what Sen. Church termed "an enormous inflationary thrust."

Sen. Church directed the subcommittee staff to draft a bill requiring oil companies to provide the Federal Energy Administration with "timely information" on any negotiations with producer countries.

The FEA would be empowered to join with the companies in formulating acceptable price ranges, and company-country agreements would require government approval.

The drafting is expected to be completed by next week. Mr. Sawhill promised Sen. Church "to work closely with you."

Stein Urges U.S. Cutback On Spending

WILLIAMSBURG, Va., June 6 (UPI).—Herbert Stein, chairman of the President's Council of Economic Advisers, joined other administration economic experts today in calling for reductions in federal spending.

Mr. Stein told world bankers attending the International Financial Conference here that "We are seeking ways now to tighten the fiscal screw somewhat."

A consensus clearly is building among administration economic advisers favoring a reduction in federal spending as a way of controlling the nation's high inflation rate.

Arthur Burns, chairman of the Federal Reserve Board, said here yesterday he thinks the administration may soon propose new curbs on federal spending as well as steps to get better control of the federal budget.

Criticism Not Warranted
Mr. Stein said that criticism of the administration for following traditional policies in an effort to control inflation is not warranted.

"The fact is that the traditional remedies are traditional only in having been prescribed over a long period, not in having been taken over a long period," Mr. Stein said.

He said the current round of inflation actually started with a big shift in federal spending from a near surplus to a big deficit between 1965 and 1967.

The inflation picture during the last decade, he said, "is not a picture of the traditional remedies failing. It is simply a picture of the remedies not being applied very forcefully or durably."

Calif. Financier Held in Contempt 7 Times at Trial

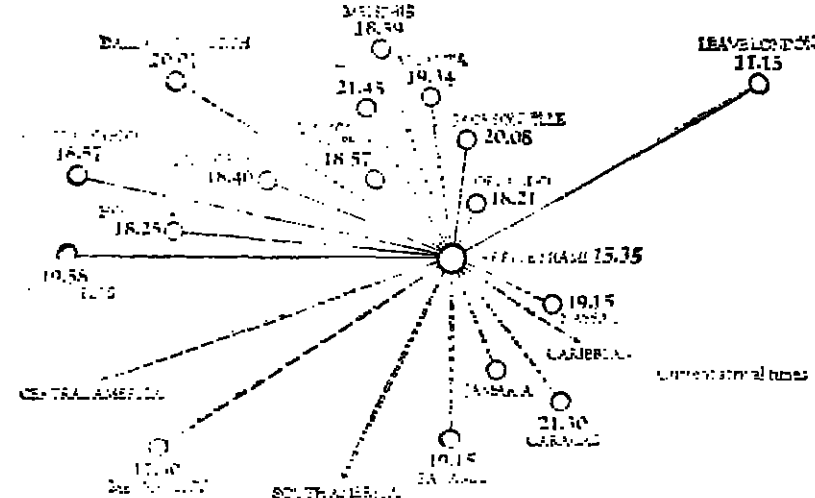
SAN DIEGO, June 6 (AP).—Financier Arnold Smith was found in contempt of court seven times yesterday after refusing to answer questions in the trial of a man accused of attempted extortion.

Superior Court Judge Paul Overton then ordered Mr. Smith to return to court June 13, warning that "the long arm of the law is upon you."

Mr. Smith, 73, invoked the Fifth Amendment seven times in the trial of Robert Dargatz, who is charged with offering to change grand jury testimony given by his brother if Mr. Smith would buy up to \$20 million worth of property for him.

Mr. Smith, a friend of President Nixon and a major campaign contributor, is former president of United States National Bank of San Diego, which collapsed last year in the nation's biggest bank failure.

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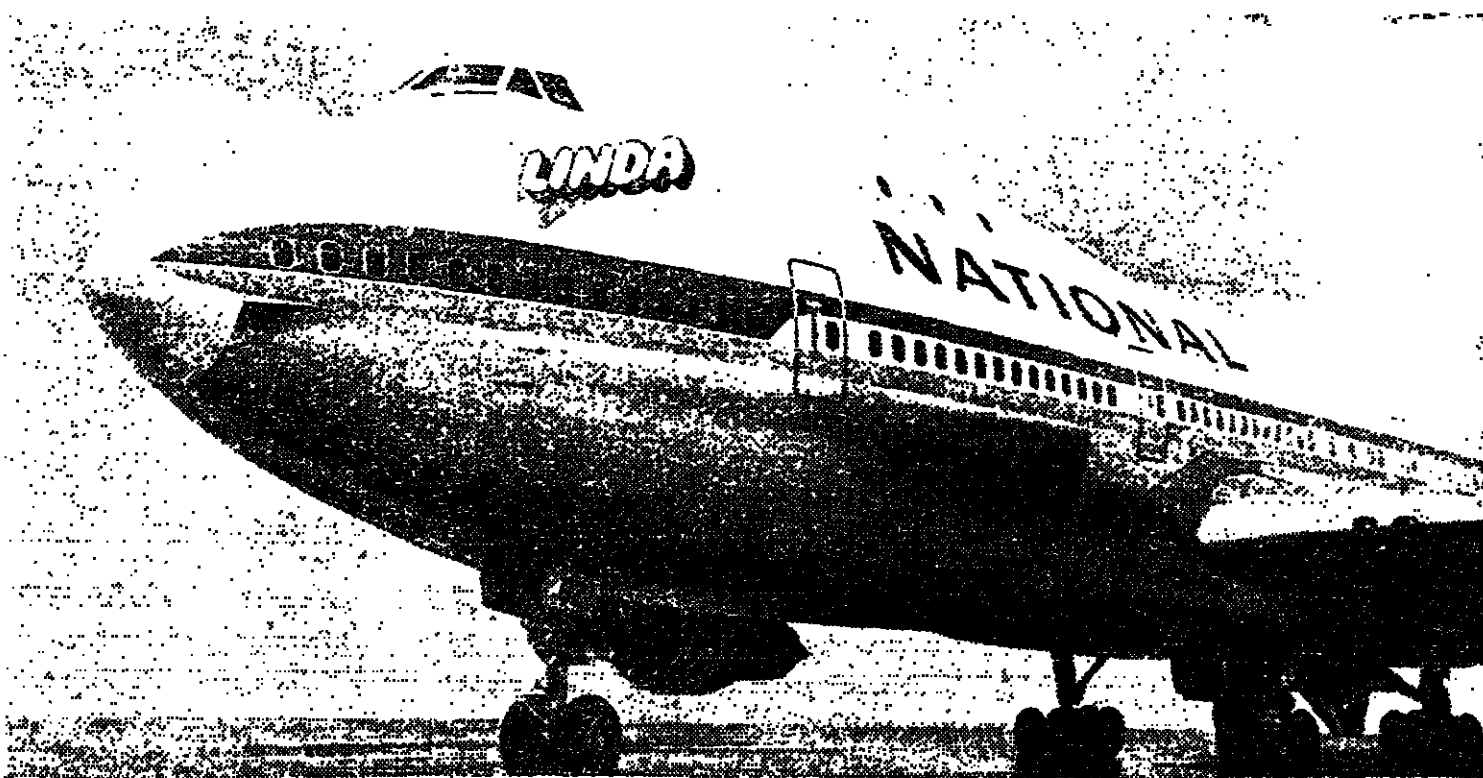


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Colson Plea Said To Have Followed Prayer Session

WASHINGTON, June 6 (AP).—Sen. Harold Hughes says that Colson's plea to a felony charge followed an intensely religious session the previous night at Colson's home.

Sen. Hughes said Tuesday that during the long and tearful session, he and other religious friends prayed and reassured Colson that "the Lord would honor what he was doing."

Sen. Hughes, a liberal Iowa Democrat who is leaving the Senate to devote himself fully to the prayer movement, also said that the court plea came after Colson searched the statutes for a crime to which he could truthfully confess.

Colson had been offered a chance by the special V. I. L. prosecutor's office to plead to a much lesser charge, a misdemeanor, but felt he could not do so in good conscience, Sen. Hughes said.

He said "Chuck had arrived at the conclusion by himself to confess to defaming Daniel Ellsberg and then presented the idea to his attorneys and the special prosecutor."

Vixon Names Shultz To Advisory Board

WASHINGTON, June 6 (UPI).—President Nixon yesterday appointed George Shultz, former secretary of the Treasury, to serve on the Foreign Intelligence Advisory Board.

The board conducts a continuing review and assessment of origin intelligence activities of the CIA and other government departments. Mr. Shultz, 53, is executive vice-president of the Keefe Corp. of San Francisco. He resigned from the Nixon cabinet two months ago.

Amin Assails 'Propaganda,' Threatens to Expel All Britons

KAMPALA, Uganda, June 6 (UPI).—President Idi Amin today threatened to expel all British citizens from Uganda in retaliation for a report accusing him of instituting a reign of terror.

The report, issued earlier this week by the International Commission of Jurists, accused the Uganda government of responsibility for the deaths or disappearance of tens of thousands of Ugandans.

Although the group is based in Switzerland, Gen. Amin accused the British government of inspiring the reports and the BBC of spreading false propaganda about Uganda.

The President threatened to force the British High Commission and "give all British nationals two days to leave if the British government and the BBC persist in publishing unfounded propaganda about Uganda." An estimated 1,000 Britons live in Uganda.

Situation Discussed
The acting British high commissioner today met the Ugandan foreign minister, Elizabeth Bagaya, to discuss the situation. Radio Uganda said Gen. Amin would announce retaliatory measures against Britain tomorrow.

The President said: "Not a single political prisoner (is) under detention" in Uganda. The radio station said later that British representatives would tour Luzira Prison at Gen. Amin's invitation before he announces his plans for retaliation.

Gen. Amin said he recently ordered an inquiry into the disappearance of thousands of Ugandans since he came to power in an army coup in 1971.

False Propaganda

He said Britain was publishing false information because of its so-called economic war, which led to the expulsion of an estimated 40,000 Asians, most of whom held British passports.

The International Commission of Jurists, which has consultative status to the United Nations, sent its report to UN Secretary-General Kurt Waldheim with a request that the allegations be taken up by the UN Commission on Human Rights.

The report, based on statements from Asians, Africans and others who fled Uganda, said the armed forces had used their powers "to arrest, detain, torture and kill thousands of civilians from all walks of life."

PARIS THEATER 2 Beckett Revivals In English, French

By Thomas Quinn Curtiss

PARIS, June 6 (UPI)—Beckett enthusiasts should be overjoyed. At the Théâtre Oblique-La Ressure, three flights up in the main building of La Cité Universitaire (21 Boulevard Jourdain)—there is a bilingual evening of two of the Nobel Prize-winner's plays: "Krapp's Last Tape" (in English) and "Comédie" (in French). Henry Millsbury, an American actor-director, has staged them reverently in the glum, sardonic manner of the master.

"Krapp's Last Tape," first seen here in French some seasons ago, is up for revival by Jean-Louis Barrault and so Mr. Millsbury plays it in English. He puts the production under a circus tent and gives Krapp a red-tipped nose and fuzzy hairdo. But the lighting is somber and the scene desolate.

Krapp, you may remember, is a brooding, lonely elder, looking back dolefully on his past. At 39 he recorded his views and autobiography on tape and now, at 69, he listens to his younger voice with many a wry comment. His kidneys are giving out, which requires sorties to the toilet. A neglected author, Krapp despises his former self and from his bitter autocritique arises a bleak evalua-

tion on the dark lot of man. Despite the makeup, Millsbury plays Krapp straight, the clown of broken heart and spirit.

"Comédie," spoken from three transparent jars by Dominique Lacarrière, Elisabeth Euppert and Marc Godard in French, apparently reveals the life of an unhappy trio lately led, for the figures seem to be shades en-casé in funeral urns. They repeat their lament at mounting tempo during the play's brief traffic. The two selections from Beckett are not related, except perhaps in their dead-end philosophy, but Millsbury has united them in a single setting. Krapp's study downstage fading out as the spotlights illuminate the large vases upstage which are inhabited by the characters of "Comédie."

The evening also includes "Souffle," a few minutes without words.

The Théâtre National Populaire presentation of Michel Vinaver's "Par-Dessus Bord" (at the Odéon), hailed by the local reviewers as a synthetic master-



piece of production and playwriting, seems to me to be a clear case of collusion against critical sagacity. That Roger Planchon, though his script judgment is often awry, considered this play a good one I seriously doubt. Instead I contend that he found it simply a scenario upon which he might drolly work his chicanery and fool the critics into believing it is something that it is not. He has succeeded, but the hollowness of the enterprise is apparent throughout.

Vinaver has sought to write a devastating satire on American commerce, American advertising methods and on what some call American economic imperialism. He pictures a Franco-American struggle between two toilet-paper manufacturing firms and the eventual surrender of Gallic independence to the all-mighty Yankee dollar. These caricatures of American business means drawn by alien hands are so grotesquely exaggerated that they miss their satirical aim. Americans make better and often more savage fun of themselves. One has only to compare such a heavy-handed and monotonous mish-mash with one with such a Broadway show as "How to Succeed in Business Without Really Trying" or "Beverly Hills Cop" or with such a novel as Sinclair Lewis's "Babbalanza" to distinguish the ridiculously false from the amusingly true.

Taking this strained and foolish text of Vinaver, filled with repulsive toilet jokes, Planchon has staged it as though it were a musical comedy. It has enough elaborate scenery to furnish several editions of George White's "Scandals," but it lacks the American know-how for manipulating it. On the opening night there was much creaking and cracking and the stagehands had to come out in view of the audience to adjust the lavish décor, which must cost the taxpayer a pretty penny.

Planchon probably never saw the great revues of Ziegfeld and Earl Carroll, but he has obviously studied the Hollywood musicals and has galvanized the proceedings with dance, song and chorus numbers modeled after Busby Berkeley patterns though we find again that French hooters and comedians seem unable to master the American technique. It is disheartening to find such seasoned artists as Madeleine Ozeray, Marcel Delo and Maurice Teyssie participating in a rumble of this order. They must know better, but actors must eat, too.

Le Grand Magique Circus: "De Moïse à Mao" (at the Théâtre d'Orsay) had a stormy premiere on Tuesday evening, with the house utterly out of control and curtain-time long delayed. A sad-sack band of first nighters ignored the thrice-broadcast no-smok-

ing injunction and perched themselves on the stage to block the view of one side of the auditorium. This caused angry protest, but no action was taken against the offenders. This submission to such behavior made some speculate as to whether or not another Barbauld theater was being "occupied."

The show itself is in the nature of a collegiate romp, a sort of sophomoric spoof of history lessons. Its traffic bounces from stage to arena platform and rushes up and down the aisles. It is lively and likable, charged with youthful glee at its own impudence. It jumps from Adam and Eve to the flood-Noah is equipped with umbrella and life-saver—and from imperial Rome to Joan of Arc. Louis XIV's court (the outhouse use made of the Versailles steps is not neglected) is disrespectfully remembered as is Napoleon, World War I, Hitler and Hiroshima. Mao is not included, despite the title, but at the evening's end a flag bearing his image is unfurled. Jerome Savary, author and master of ceremony of the extravaganza, explains that Mao can speak for himself. In any case, the chairman has not expressed his thoughts on this spectacle, which is more "Bellzappoplin" than circus and more undergraduate vaudeville than anything else. It is recommended as hot-weather entertainment and will be at the Théâtre d'Orsay through June.

SEARPS AND FLATS

FRANKFURT—Fats Domino and his band and John Mayall and his blues group headline a "Rhythm n' Blues Night" on June 6 at the Festhalle auf dem Messegelände at 8 p.m. and The Great Rock Express, featuring Uriah Heep, Steely Dan, America, Black Oak Arkansas, Babe Ruth and Bobby McGee will be at the Festhalle on June 9 starting at 3 p.m.

LONDON—Blood, Sweat and Tears will give a concert at Fairfield Halls, Croydon, on June 9 at 7:30 p.m. Blossom Dearie and her trio and the Stephanie Grappelli Quartet are appearing nightly at Ronnie Scott's.

GENEVA—Boston folk singer

Alan Stivell and his group will be at the Théâtre de la Patinoire on June 14 at 8:45 p.m.

BADEN-BADEN, Germany—Pianist-singer Alice Darr is appearing nightly at the Kurhaus.

LUNERAY, France (near Dieppe)—Trumpetman Bill Coleman, British blues singer Beryl Bryden, the Cocorro Steel Band and Max Collie and his Rhythm Aces headline the show at the Jam Potatoes Warehouse on June 8 starting at 8 p.m. and June 9 at 11 a.m.

CANNES—The Delta Rhythm Boys are appearing nightly at the Palm Beach Casino.

PARIS—Fats Domino and his band will be at the Olympia on

June 12 for two shows, at 7 and 10:30 p.m. Bluesman Memphis Slim and Saxman Sonny Criss are appearing every night at the Caveau de la Huchette and the Club St. Germain respectively. The rock group ICE will give a concert at the American Center on June 14 at 9 p.m. and the same night the Chace Evans Quintet will be at the Maison Fraternelle, 37 Rue Tournafort, also at 9 p.m. The Trois Mallettes is offering the Jean-Luc Parodi Orchestra, featuring saxophonist Chris Woods.

This week's top singles records are, in the United States: "Band On The Run" by Paul McCartney; and in Britain: "There's a Ghost in My House" by Dean Taylor.

—FRANK VAN BEARLE

ENTERTAINMENT IN N.Y.

NEW YORK, June 6 (UPI)—This is how critics for The New York Times rate new films and stage productions:

Films

"Thunderbolt and Lightfoot," a "funny, tough-fibered crime comedy with an unobtrusive edge of drama," pleased Howard Thompson. "With Clint Eastwood as an older, wise thief and Jeff Bridges as his grinning apprentice, the picture is consistently entertaining and interesting," Thompson says. Written and directed by Michael Cimino, the pattern is the familiar "crime still doesn't pay and the big climactic heist misfires," but the script is "freshly turned in characterization and plot, amusingly ribald and neatly placed."

"Chosen Survivors," a science-fiction film, presents a view of a possible doomsday featuring bats. "If the chills are intermittent, the combination of the voracious vampires and fumbling scientists as unwitting partners in disaster gives some novelty and a sardonic twist to the film," A.H. Weiler says. "The 11 survivors here have been selected by computer to live in a seemingly safe, luxurious, gadget-filled environment miles below the earth's surface, presumably to save mankind after a wholly destructive thermonuclear war. The behavioral expert among them soon drives them up the walls by confessing that there is no nuclear holocaust and that they're actually guinea pigs in a controlled experiment. Who survives is not important here. Subsequent to a television director, maintains a fair level of suspense aided largely by scientific gimmickry, technical effects and action sequences that accentuate the inmates' terror. Properly taut, it is not memorable, performances are contributed by the principals, including Jackie Cooper, Lincoln Kilpatrick, Barbara Babcock and Bradford Dillman."

Plays

"The Year of the Dragon," by Frank Chin, is the last in the American Place Theater's sub-

scription series. The hero, Fred Eng, is a tourist guide, travel agent who can collaborate with his sister on a cookbook and worry about his kid brother. As in his earlier play "The Chicken-Coop Chinaman," Mr. Chin is questioning identity—"how Chinese or how American is the Chinese American," says Clive Barnes. The critic says that "The Year of the Dragon" is "interesting" but "it has a lot of gaps in it. It lacks energy at times. What I found absolutely fascinating was its insights into the Chinese community." Russell Treys directs the cast, which includes Randall Kim, Pat Suzuki and Conrad Fama.

FASHION Yugoslavia Joins Club

By Hebe Dorsey

PARIS, June 6 (UPI)—Yugoslavia has joined the fashion club. Last year the government sponsored an international fashion festival which drew 13,000 people to the medieval city of Trogir, about 120 miles northwest of Dubrovnik.

The second festival, beginning Aug. 5, will last five days and presumably draw even more people. Last year there were 180 invited guests—designers, journalists, photographers and models. This year the organizers are asking 500.

Festival director Josip Curik sees Trogir as a meeting ground for Eastern and Western European fashion talent—"the first really." Last year there were designers from Poland and Czechoslovakia. This year, there will be designers from the Soviet Union and Hungary.

Last year, the organizers rounded up a crowd from Western Europe including Liliane Dreyfus (Vost) and Paço Rabanne from France; Balestra, Brioni, L'Espresso and Santolomeo from Italy; and Bill Gibb and Theo Porter from England.

Return Engagement
For this year's festival, Mr. Curik had no trouble getting the Western European designers to come back. "Last year, they were a bit suspicious," he said. "But they liked it so well that they asked to come back. As a matter of fact, Theo Porter is thinking of buying a house in Yugoslavia."



Designer Bill Gibb of London at last year's festival.

One of the reasons that foreign designers are interested in taking part in such fashion spectacles is not because they expect to open new markets for their clothes but because they are always on the lookout for low-priced manufacturers. For example, Emmanuelle Khanh has her embroidery designed in Paris—but it is made in Romania, as are many of her clothes.

Another example: Jean Muir designs a special line for manufacture in India, using local fabrics. But it's a two-way street: The Western European designers often pick up ideas and local styles, putting them straight into their collections. A case in point is the embroidered Romania blouse that women were wearing in Saint Tropez last summer.

Unlike the Western Europeans, who use their own names and like to give a prima donna impression, Eastern European designers present their fashions under the name of the fashion

houses for which they work. For instance, at Trogir, Silja Tajcov won't be showing and his name but under that of Dk Mod, Moscow, for which he worked.

Designers' Decisions
"We try to make this a read-to-wear event," Mr. Curik said. "but the decision really belongs to the designers. Last year, number of them chose to bring half couture and half ready-to-wear."

The show will go on for 11 consecutive evenings on a cobblestone marketplace with clothes by some 30 designers from 15 countries. During the 11 models will parade up and down the streets for the benefit of photographers, townspeople and tourists.

Yugoslav television plans a hour-long color feature on the festival—a first. "The most difficult thing," Mr. Curik said, "was to convince the television people that fashion is a cultural event. But they finally agreed."

This announcement appears as a matter of record only.

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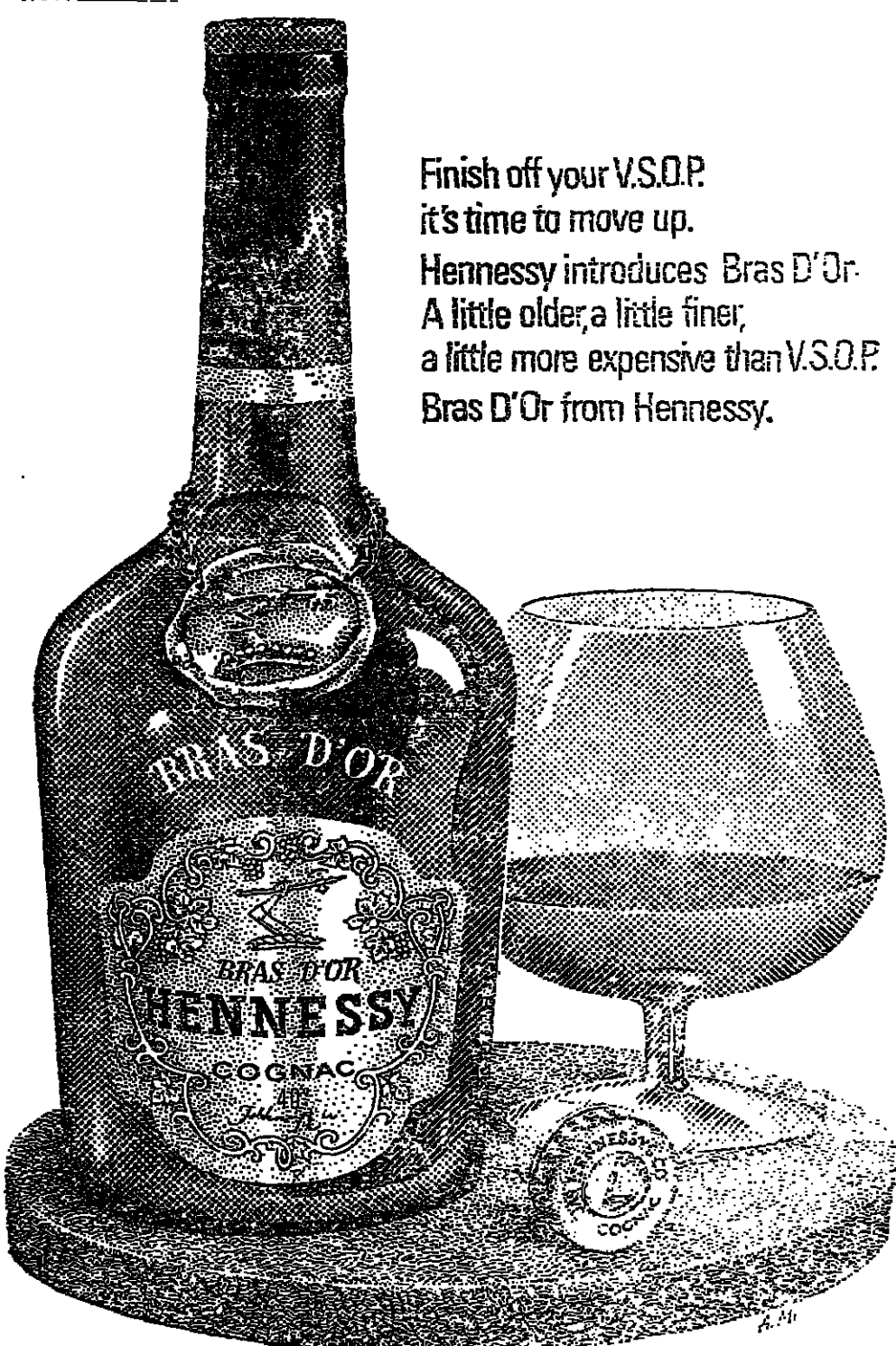
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PARIS, FRIDAY, JUNE 7, 1974

Page 1

W. Germany's Payments Gap Is Narrower

Surplus Dips in April But Widens in Quarter

FRANKFURT, June 6 (AP-DJ).—West Germany's basic payments surplus declined to a preliminary 2.172 billion deutsche marks in April from a revised surplus of 2.508 billion DM in March and a surplus of 2.531 billion DM in April 1973, the Bundesbank reported today.

The basic payments balance, widely seen as a key indicator for the country's payments situation, takes into account only the current accounts and long-term capital movements.

Despite the decline in April, the basic payments surplus in the first four months of this year rose to 8.212 billion DM from the surplus of 7.989 billion DM in the same period last year.

The overall payments balance, reflecting all payments positions, produced a preliminary April surplus of 2.459 billion DM, up from a revised surplus of 2.343 billion DM in March, and compares with a deficit of 536 million a year ago.

The current account, an important indicator within the basic payments balance, showed a preliminary surplus of 2.978 billion DM in April, down from a revised surplus of 2.553 billion DM in March, but up from a surplus of 611 million DM in April 1973.

Long-term capital transactions produced a preliminary April surplus of 94 million DM compared with a revised deficit of 49 million DM in March, and a surplus of 930 million DM a year ago.

Short-term capital transactions showed a preliminary April deficit of 631 million DM, a sharp reversal of the revised March surplus of 3.5 billion DM. A year earlier there was a deficit of 2.448 billion DM.

Residual items produced a preliminary April surplus of 918 million DM compared with a revised deficit of 2.68 billion DM in March, and a deficit of 608 million DM a year ago.

Overall capital transactions showed a preliminary April deficit of 537 million DM compared with a revised surplus of 2.451 billion DM in March, and a deficit of 1.526 billion DM in April 1973.

Volvo Tries Non-Line Assembly

KALMAR, Sweden, June 6 (AP).—Some 55 years ago American industrialist Henry Ford revolutionized manufacturing processes by introducing the assembly line, since then the very symbol of man's integration as a somewhat dehumanized part of the mechanized society.

Now Swedish car producer Volvo turns that system down, introducing the world's first mass production car assembly plant without a moving line. It was inaugurated this week.

This is how it works: Assembly is subdivided among some 25 separate teams, each team consisting of about 15 workers with a small workshop zone at its disposal in the large factory. The team members are not limited to fitting individual parts but, within the team, they install and become experts in entire functions of the car.

During assembly work the body is carried through the factory on a battery-powered low-level carrier that also functions as a working platform. It is connected to the factory computer system, but can also be operated by the workers via a switch panel.

The workers do have to fit the bodies with the respective components within certain time periods, but due to buffer stock spaces, each space is able to store six cars. They can vary their rate of work and create breaks.

One of the 400 workers in the plant—by the

end of the year they will be 800—is Jan Karlsson, a member of a team that assembles the front ends. Had Mr. Karlsson, 25, been working in an orthodox plant, he would have performed one function, such as fastening a wheel link or a wheel hub. In the Kalmar plant he carries out some 30 tasks regularly, and due to job rotation he can swap jobs with his teammates, increasing the number of tasks to several hundred.

"My only complaint about the way it functions here is that the job rotation system doesn't work—at least not in my team. We have been talking to other team members, for instance the pressmen, about rotating within the team, but they have been unwilling. There is a tendency for the workers to feel that when they have learned to do their tasks, they stay."

Except for that, Mr. Karlsson believes the idea is good. The team spirit is fine, we do have a feeling that the foreman listens to our remarks and relays them upward. And the work environment is marvelous. It's clean and it's airy and it's rather noiseless. It's no problem talking to each other on normal speech level.

Manufacturing almost exclusively for the North American market, the plant is expected to reach an output of 30,000 units a year on one-shift operation by the end of the year, but a capacity of 60,000 units a year is planned.

After Three Broker Firms Collapse

U.K. Stock Mart Asks Members for Funds

By Terry Robards

LONDON, June 6 (NYT).—The London Stock Exchange informed its 4,700 members today that each must contribute the equivalent of £480 to the exchange's Compensation Fund to cover potential losses from three member-firm collapses.

The sum is the largest ever required to cover such losses and it underscores the hard times that have fallen on the securities business in Britain. As in the United States, many firms are experiencing a severe profit squeeze and some are going out of business.

The London exchange also told its members that an additional £240 each might be required later this year to meet other claims arising from the failure of the three firms. Only last January, members put up £240 each for two other defaults.

Protects Clients
The Compensation Fund is similar to the Special Trust Fund that existed at the New York Stock Exchange prior to the creation of the Securities Investor

Protection Corporation by Congress several years ago. It is used to protect customers' losses when member firms fail.

So far this year, three firms belonging to the London exchange have been unable to meet their commitments and have been forced to dissolve. The defuncting stock market and sharply rising costs have been blamed.

Late last year, two other firms also went under for the same reasons. The collapses have alarmed the investment community in Britain and have weakened public confidence at a time when the public had already been experiencing great difficulties in finding profitable investments.

Milton, Butler, Priest & Co. failed on March 28, Chapman & Rowe went under on April 1 and Davey & Candy was unable to open for business on May 17. J.H. Sumnerfield & Co. and James O'Connor & Co. were forced out of business late last year.

A spokesman for the exchange said it appeared that at least \$3.4 million now would have to be paid out to customers of the

last three firms to go under and that another large infusion of cash might be required later.

Today's call on members will raise about \$2.4 million in all. Under the exchange's rules, at least £480 a member must be maintained in the Compensation Fund as insurance against unforeseen collapses.

Oil Nations' Money Reserves Soar 110% in First Quarter

WASHINGTON, June 6 (AP).—The International Monetary Fund reported yesterday that the international currency reserves held by the world's oil-producing countries jumped 110 percent during the first three months of the year.

The rise follows an agreement among oil-producing countries to levy royalties on the petroleum they export.

Measured in terms of dollars, the IMF figures show that international reserves of the major

oil producers stood at \$7.6 billion at the start of the year, then jumped to \$16 billion by March.

The country enjoying the biggest rise in its reserves was Nigeria. Its holdings in foreign exchange, gold, special drawing rights and reserve position in the IMF rose from \$446.3 million to \$1.2 billion, an increase of 176 percent.

The IMF said that despite the large increase in oil payments, international reserves held by some industrial countries continued to rise. The fund attributed the increase to overall reserves to exchange market operations and external borrowings.

West Germany, Japan, Britain and Canada were all identified as registering an increase. Industrialized countries showing a decrease included Italy, Sweden and the Netherlands.

Eurodollar Borrowings

WASHINGTON, June 6 (Reuters).—Liabilities of U.S. banks to their foreign branches fell \$445 million to \$2,986 billion in the week ended May 29, the Federal Reserve reported. This was \$1.6 billion more than the level of Eurodollar borrowing in the week ended May 30, 1973.

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Eberle Urges World Cooperation on Raw Materials

PARIS, June 6 (UPI).—President Nixon's chief trade negotiator, William Eberle, said today the United States is ready to help organize efficient world economic cooperation but will protect its interests if others attack them.

Mr. Eberle was speaking at the art of the world's first symposium on energy and raw materials attended by 1,000

French Oil Firm Says Profit Rose 7% Last Year

From Wire Dispatches
PARIS, June 6.—Consolidated earnings of Cie Française des pétroles (CFP)—Total group, including minority interests held in her firms, increased 67 percent to 1,948 billion francs (\$214 billion) last year from 627 million francs in 1972.

The group's consolidated sales rose to 18,016 billion francs from 154 billion francs.

The company attributed the rise in profit mainly to the higher price for crude oil.

In another report, Cie Financière de Paris et des Pays-Bas said a 17 percent rise in its profits to 268.7 million francs last year was due to an increase in investment income.

Artistic income rose to 158 million francs from 112 million francs while banking income remained stagnant, company chairman Jacques de Fouchier told annual meeting.

K. Bank Transfers Shares in BEC

ONDON, June 6 (AP-DJ).—Jel Montagu & Co. said today it has transferred its participation in Banque Européenne de Crédit (BEC) to the other shareholders, pro rata to respective interest.

The move was decided by an agreement following the election last year by Midland of full ownership of Montagu, parent company of Jel Montagu.

Jel Montagu, a merchant has been a shareholder of a Brussels-based bank, its formation in 1967.

business and government leaders from many countries.

Mr. Eberle said steep price increases decreed by oil and raw material producers had unleashed unprecedented worldwide inflation and threats of protectionism.

"There is now a need to put international economic relationships into better order," Mr. Eberle said, calling for a framework of international cooperation allowing for smooth adjustments to changes in economic relations.

"Within this framework it will be important to balance the interests of nations whose support for the international economic system will be necessary to ensure its long-term viability," he said.

The U.S. envoy said: "The raw material exporters themselves must take into consideration the fact that there is a high probability that in time alternative sources will be developed and new

supplies will be discovered." He said sharp increases of raw material prices forced buyers into retaliatory measures that rekindled against the exporters.

"My country is committed to an international solution to short-supply problems and we are prepared to discuss with our trading partners the development of improved consultation procedures and guidelines regarding the use of export restrictions," Mr. Eberle said.

Emile Van Lempe, secretary-general of the 24-nation Organization for Economic Cooperation and Development, and other speakers also urged close international cooperation as the only viable solution to economic problems facing the world.

Most of the work on various detailed issues of energy and raw material supplies and use is being studied in nine commissions of the three day conference sponsored by research and study organizations and business groups from seven nations.

Mr. Miller said that getting 45 more firm orders for the \$20-million, wide-bodied passenger plane "is an essential element of the plan" as far as he is concerned, indicating that Textron will not put up its \$65-million share of the recapitalization package if the condition is not met.

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Property Firm In Britain to Go Into Liquidation

LONDON, June 6 (AP-DJ).—Wilstan Securities Ltd., the parent company of Stern Holdings Ltd., said today that it had been agreed to put Stern into voluntary liquidation.

It is believed that creditors of Stern, a privately-held property company, were told that the group had total borrowings of about \$212 million and property assets of about \$225 million.

However, realization of the property assets at a time of a slump in this sector might be difficult, sources said.

The decision to liquidate was made "in order to carry through the scheme for the orderly realization of such of the group's assets as may be necessary to overcome its present liquidity problems," the Wilstan statement said.

Japanese Bankruptcies

TOKYO, June 6 (AP-DJ).—Japan's corporate bankruptcies involving 10 million yen in bad debt totaled 988 cases in May, up 14 percent from April and up 42 percent from a year earlier, Teikoku Koshinsho, a private business inquiry agency, announced today.

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World Bankers See High Risk in Oil Dollars

WILLIAMSBURG, Va., June 6 (AP-DJ).—Bankers attending the annual international monetary conference here are expressing deep concern about the situation in the Eurocurrency market brought about by the need to recycle so-called oil dollars from the dollar-rich oil-producing countries.

"The mechanics of the system are being strained to the limit," says a financial executive of a major oil company. "I don't believe the system can cope with this, and neither do the bankers."

A breakdown in the huge Euro-dollar market could cause anything from a temporary financial panic to a worldwide recession. Few experts think such a breakdown is likely, but many think the limit of permissible risk have about been reached.

So far the commercial banking system, especially in the London-based market for dollar deposits outside the United States, has played its expected role.

London banks take deposits from Arab oil producers and lend them to borrowers from such oil-importing nations as Italy, France, Britain and Japan. This lending has soared in recent months.

Short-Term Lenders
Arab investors, however, generally want to avoid tying up their funds for more than a few days or at the most, a few months at a time. But the borrowers need long-term money or, at least, long-term credit lines for use as needed.

Caught squarely in the middle are banks and other financial conduits, who take the risk.

When they lend out short-term deposits to long-term borrowers, especially to borrowers whose credit-worthiness is diminishing, they could wind up in serious trouble if deposits stop coming or economies plunge downward.

If dollar deposits from the oil-producing lands flowed in smoothly, banks would have no problem in protecting creditors from any contingency. But the deposits, bankers say, are unpredictable.

"The Arabs won't make a deposit with a maturity of more than 90 days at the most," says the head of a London bank, "and much of their deposits are on call"—meaning they are subject to withdrawal at any time.

To grasp the size of the problem, consider some figures from an internal study by economists at a major New York bank. The

study predicts that the gross oil revenues of nations in the Organization of Petroleum Exporting Countries (OPEC), mainly Middle East lands, will rise this year by some \$80 billion, to \$108 billion.

But, the study says, "probably less than half of the projected \$108 billion can be absorbed by the OPEC countries through increased imports of goods and services. It is apparent that about \$55 billion to \$60 billion can't be spent."

That money, in other words, will not return to the oil-buying countries as payments for goods and services. And the figures are a rough measure of the deficit the oil-buying nations will run up in their accounts with the oil sellers. It compares with a deficit of only \$4 billion last year.

For recycling to work, major nations look to three key mechanisms. One is the private commercial market, mainly commercial banking. Another is the network of short-term credit facilities serving central banks with "swap lines" of government-to-government credit.

Finally, there are plans to establish a special "oil facility" at the IMF. This facility would borrow from nations with surpluses and lend to debtors, but it does not exist yet, and its role in recycling is expected to be minor this year and next.

So the commercial banks have had to bear the biggest burden of recycling. The internal bank study says that so far this year banks have announced nearly \$15 billion in credit in Eurocurrencies. Because not all Eurocurrency lending is made public, the study says, the total actually may reach \$20 billion. These figures do not include about \$5 billion in loans by U.S. banks to foreigners, mainly in Japan. All this lending is sharply higher than it was a year ago.

Warning on Risk
"Despite the impressive amount of international lending transacted by commercial banks so far this year," the study warns, "nevertheless must be recognized that there are limits to the amounts that can be channeled through private markets to individual countries. No private financial institution, and indeed no international lending organization, can assume limitless credit risks."

In addition, as borrowing countries increase their debt, their interest and repayment burden rises, too. This diminishes their borrowing ability and their creditworthiness.

One way out for the banks is to pull in their horns and pass up business. Some are doing just that by refusing short-term Middle East deposits, sometimes by offering interest rates too low to attract them.

Partly at the prodding of U.S. banking regulators, some U.S. institutions are stiffening their credit standards. Bankers say that Italy, as one example, may run into more difficulty borrowing Eurodollars because it already has borrowed heavily to finance its payments deficits.

Bankers hope that Middle East investors themselves will provide some help by shedding their fear of depreciation of their foreign assets and their fear of devaluation of their foreign-currency holdings. Such fears have helped discourage them from long-term investment.

Another possible dampening influence for the golds was a report from informed sources in Luxembourg that Common Market ministers decided not to make formal proposals for revising the official gold price at next week's Washington conference on monetary reform.

Homestake Mining lost 3 1/4 to 77 1/8, Dome Mines 3 1/4 to 48 3/4, ASA 4 5/8 to 77 1/8, and Campbell Red Lake 3 1/2 to 35.

Prices advanced in light trading on the American Stock Exchange. The Amex index rose 0.87 to 84.53.

Turnover was 13.36 million shares, compared with 13.68 million yesterday.

Among the strongest features were Xerox, up 4 to 124, IBM 7 1/8 to 227 1/2, Polaroid 2 1/2 to 42 1/2, Texas Instruments 2 5/8 to 102 7/8, Fairchild Camera 2 5/8 to 47 7/8, and heavily traded Universal Oil Products 2 3/8 to 17 3/8.

Procter & Gamble climbed 1 5/8 to 300, Sears, Roebuck 2 1/2 to 85 3/4, and Bristol-Myers 2 3/8 to 54 1/2.

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